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REGIONAL AFFAIRS

General Fakhr Discusses Peace Process

93AF0215C Cairo AL-JUMHURIYAH in Arabic
11 Oct 92 p 7

[Interview by Muhammad Isma'il with General Ahmad Fakhr; place and date not given]

[Text] General Ahmad Fakhr, strategic expert and member of the Egyptian delegation to the multilateral talks, indicated that the Egyptian view of the security arrangements in the area differs from Israel's. The Egyptian side is talking about confidence-building measures with an aim toward overall arms control. On the other hand, Israel sees the importance of making confidence building arrangements and security measures in case of a new war in the Middle East.

[Isma'il] Has there been a change between this round of talks and the talks held in Washington last April?

[Fakhr] There has been a change between the two rounds in both form and content. This change could be summarized in the following points:

As for the form, the delegations of the two cosponsors, the United State and Russia, included academicians in strategic arms control. The cosponsors wanted to present their expertise in that field without formal restrictions. These academicians have views on regional security measures and arms control in the Middle East both before and after the peace process.

This change occurred after Egypt's proposal of unifying the tone and establishing a common and unified concept of arms control. There are many definitions that can be interpreted and translated in different ways. To avoid any disagreements, a unified concept will enable all of the parties to present their experience in arms control and monitoring in order for everybody to benefit from them.

This round witnessed a change in the European representation in the multilateral talks. European representation was weak in the first round although Europe was a principal party to these talks. Countries outside the European Community expressed their dissatisfaction with Europe's representation in these talks. In this round, Europe was represented by three members instead of just one. Countries outside the European Community were represented by two members. Egypt and the rest of the Arab countries have expressed their desire for European representation to be increased.

[Isma'il] The second round of the arms control talks comes under a new Israeli Government, presided over by Yitzhaq Rabin. Has this change been reflected in the second round, especially because the first round took place during the cabinet of Yitzhaq Shamir?

Egyptian View of Security Measures

[Fakhr] The Arab countries have felt the change that took place in Israel. The change was very evident in arms control because Israel has shown some flexibility since Shamir left the arena. The absence of Likud's ideas was reflected in the Israeli performance during this round. There was an agreement to set the agenda by consensus. There was an Israeli willingness to discuss all weapon systems in the Middle East. This in itself is a radical change from the Shamir era, when Israel insisted on discussing the Israeli agenda, forcing its views on the world. Egypt had opposed this procedure and presented a paper that included the final view on security measures and arms control.

[Isma'il] What are the differences between the Egyptian and the Israeli proposals in the working group?

[Fakhr] Egypt is talking about President Mubarak's initiative regarding making the region free from weapons of mass destruction, while Israel is talking about confidence-building measures between the Arab delegations and the Israeli delegation. It says that such an initiative is premature. Israel is talking about the confidence lost between the two sides, especially after 40 years of war. This is true because it is not possible to have confidence in Israel while it is still using armed force daily to handle political issues in southern Lebanon. Israel wanted the arms control talks to concentrate on confidence building by means of liaison officers, joint patrols, and hotlines with the Arab countries. These are valid ideas, but the Egyptian view is different because confidence-building measures are discussed in the bilateral talks, not the multilateral talks. For example, when Israel and Syria agree on the stages and methods of withdrawal from the Golan heights, they can agree on confidence-building measures. In the arms control talks, we talk with the aim of achieving peace in the level and kinds of weapons. Israel, on the other hand, is talking about security measures in case of a war with the Arabs, while Egypt is talking about security measures after peace prevails in the region. There is a philosophical difference in how things are viewed because of a lack of confidence between the Arabs and Israelis.

[Isma'il] Have you determined the time and place of the third round of arms control talks? What are the items of the agenda of the next round of talks on arms control and regional security measures?

[Fakhr] [Words missing] ...and also the confidence-building measures that serve arms control so that they would be distinguished measures in the region and not just a repetition of other world measures. The United States and the Soviet Union presented their previous experiences and the positive results of negotiating. They did not indicate the problems, the obstacles, and the points of disagreement. Egypt's opinion was that the proposals were not suitable for the region because the arms control measures applied to NATO, the Warsaw Pact and Europe, countries that recognize each other and

do not have border disputes. This is not the case in the Middle East. For the past 40 years, there have not been any border disputes between Eastern and Western Europe nor have there been any armed conflicts. In our region, there have been three major wars, a war of attrition, and the war in Lebanon, in addition to daily military tensions. Confidence-building measures between the United States and Russia are different from those between the Arab countries and Israel. In the latest round, there were some other experiences such as those between India and Pakistan and between India and China, Canada's experience in peacekeeping, and the experience of the United States and the former Soviet Union in detecting the nuclear threat. Other experiences were discussed, such as the disengagement between Syria and Israel in 1974 and that between Egypt and Israel in April 1974 and the second disengagement in 1975, as well as the peace treaty. We also discussed the good and the bad aspects of the region's previous experiences and their developments.

As far as the time and place of the coming round, no date has been set yet, but it will take place in Washington. During the first round, Israel had insisted that the third round should take place in the region, but the International community—represented by 12 Arab countries; the United States; Russia; 12 European countries, including six countries from EFTA [European Free Trade Association]; Canada; India; Japan; China; and Australia—decided that it would be better to hold the third round in Washington. No date has been set yet because each country has requested to submit to the other countries its view of the work during the coming stage.

[Isma'il] Is Israel happy with the strong European representation?

[Fakhr] It has been observed that the Israeli delegation is not happy with it and desires a limited European role.

[Isma'il] What will be new in this round?

[Fakhr] The participation of Australia for the first time. It has experience in arms control in Southeast Asia. It is also known that France conducts its nuclear tests near Australia. Australia has an important role to play in curbing nuclear proliferation and banning nuclear tests, a matter important to the Arab countries. The addition of a four-member Australian delegation that specializes in curbing nuclear proliferation has enriched that round

Commentary Discusses Weakening of Arab League
93AF0215D Cairo AL-JUMHURIYAH in Arabic
9 Nov 92 p 5

[Commentary by Dr. 'Abd-al-Hadi al-'Ashri: "The Arab League and Its Financial Crisis"]

[Text] There is no doubt that the Iraqi invasion of Kuwait was just like an earthquake that led to splitting the Arab political entities. It also places the regional

system in a position that may result in its collapse at a time when the international arena is witnessing more important roles for the international and regional organizations in what has come to be known as the new world order.

Before the invasion, the Arab regional system was able to face some of the most important strategic issues of its present and future. The Amman conference in 1987 was devoted to taking a decisive Arab position toward the Iraq-Iran war. The Algeria conference of 1988 was devoted to taking a unified Arab position toward the Arab-Israeli conflict by means of supporting the Palestinian intifadah. It was possible to reach a solution to the civil war in Lebanon during a conference in Morocco in 1989. There have also been other efforts on collective and bilateral levels that proved the efficiency of the Arab efforts on the regional level.

Despite the lapse of time since the Iraqi invasion of Kuwait, observers are aware that the Arab League is currently facing a stage that sheds more doubts on the feasibility of the latest collective Arab work.

Apart from the political weakening, we notice that the league has become incapable of devising and implementing plans and programs for Arab development. The league has become incapable of keeping pace with the developments that took place in the international arenas. Although the Arab League has not collapsed yet, it has lost a great deal of its political and moral value. While the Arab countries have been keen to sustain the Arab League by concentrating the general structural issues related to the Arab political system and institutions and through regular sessions of all its agencies, including the league's council, these meetings have not yielded in any positive results as far as the Arab nation is concerned.

The question now being circulated in Arab circles is: What are the serious setbacks that led the Arab League to such a dangerous situation?

It can be argued that the Iraqi invasion of Kuwait has not only resulted in damaging the Arab system, it has also left it deserted because as most of the important Arab countries diverted their attention from it and no longer consider vital for their strategies and policies. As a result, most of the countries did not meet their financial obligations in a time that they are keen to meet these obligations in other international and regional institutions, despite the fact that they are much larger than the financial obligations toward the Arab League. This fact caused a financial crisis for the Arab League because it has become incapable of effectively participating in Arab crises that require some financial assistance, such as the crisis of Somalia or natural disasters like the earthquake in Egypt. It should be noted that all other international and regional organizations have provided prompt technical and financial assistance, while the Arab League was incapable of helping. During such a severe financial

crisis, the Arab League has become incapable of continuing the implementation of the Arab development plans and programs even though it has been holding regular sessions.

To face such a drastic financial crisis this year, when the league's budget has decreased to less than \$30 million, the league's council at its 97th session discussed the financial situation of the league and the position of the member states as far as meeting their financial obligations and the contributions in arrears. Some countries that face economic difficulties, such as Sudan, Somalia, and Lebanon, have requested a waiver of their financial obligations, while other countries, such as Morocco, have requested a decrease in their contributions from 5 percent to 2.5 percent and forgiveness of their contributions in arrears. On the other hand, the AOPEC [Arab Organization of Petroleum Exporting Countries] countries have objected to increases in their shares. Bahrain objected to its share being increased from 1 percent to 2 percent. Algeria objected to its share being increased from 5.88 percent to 8 percent; Kuwait objected to its share being increased from 13.7 percent to 14 percent, and the Sultanate of Oman objected to its share being increased from 1 percent to 2 percent. This came a result of the decision of the league secretariat to increase the shares of the AOPEC countries to offset the large deficit due to the failure of other countries to pay because of their economic difficulties.

To avoid radical disagreements, the council formed an 11-member, high-level committee to discuss the possibilities of reaching a compromise to avoid a complete collapse. The committee has not succeeded.

Due to these difficulties, it is possible to say that the Arab countries have to meet their financial obligations because the Arab League has become incapable of dealing with the Arab political environment. In spite of the increasing role of international and regional organizations in the new world order, the Arab countries, by not supporting their sole regional organization, are throwing themselves back into the era of preinternational organizations.

GCC Tries To Establish Economic Strategy

93AE0159A London AL-HAWADITH in Arabic
6 Nov 92 p 43

[Report from Abu Dhabi: "Agenda for the Gulf Summit in Abu Dhabi: Uniform Customs Tariffs Would Solidify Integration and Establish Grounds for Negotiations With the Outside World"]

[Text] The Arab Gulf Cooperation Council [GCC] is moving economically to bolster intramember relations while also allowing each member the freedom to look after its own interests and develop its own economy. Meetings of GCC experts, officials, and ministers were successful in defining numerous strategies for solidifying economic relations among Arab Gulf countries, but

GCC summit meetings have been better able to resolve and approve many plans for integration, and even unification.

Economic circles therefore attach great importance to the 13th Gulf summit scheduled for Abu Dhabi in December. The meeting is significant because it is being held amid worldwide political and economic developments resulting from the U.S. presidential elections and from Europe's problems and upcoming integration. Those developments are having a universal impact, especially on the Third World countries.

Economic circles pointed out that Gulf summits have proven significant since the first constituent summit, also held in Abu Dhabi, proposed a framework for eventual integration into a Gulf common market. That vision of uniformity was not in the abstract. It was given practical application first through joint ventures and then by removing restrictions on the movement of GCC nationals and pushing forward with trade and the [free] flow of investments among those states—all within the framework of the Uniform Economic Agreement.

The upcoming Abu Dhabi summit will therefore have a tremendous economic agenda, some of which has already been achieved and some awaits to be brought to realization. For that reason, the Abu Dhabi Chamber of Commerce and Industry will sponsor a "GCC Without Borders" seminar in November that will be attended by the GCC secretariat-general, the secretariat of the Federation of UAE Chambers of Commerce and Industry, the Abu Dhabi Chamber of Commerce and Industry, and other specialized economic institutions in the Gulf. The purpose of the seminar, according to an official GCC secretariat source, is to crystallize a clear, realistic, and pragmatic understanding of the barriers to a Gulf common market, which is the primary objective and the crowning achievement of economic, commercial, and monetary cooperation among the member states.

The source added that the seminar is a step toward the desired continuity, especially because it will tackle the task of defining, for the purpose of eventual their removal, the obstacles that Gulf nationals everywhere face in their commercial operations. The seminar will deal especially with those legislative, customs, industrial, and administrative restrictions that impede the liberalization and integration of Gulf-wide markets.

The same source believes that GCC experiences over the past few years, and endeavors to develop them, could encourage those its member states to maintain their uniform economic regulations in accordance with the timetable designated by the Kuwait summit.

But the upcoming Abu Dhabi summit manifests an urgent need to deal with world economic issues that greatly influence and impact economic conditions in the Gulf and that are being scrutinized by ministries of finance, central banks, monetary agencies, and investment funds in the member states.

It is possible at this point to indicate that specialized Gulf authorities, despite previous failures, have collectively moved to establish a "common denominator" for Gulf currencies. Governors of GCC central banks and monetary agencies took the initial step in that direction at their meeting in Abu Dhabi 6 September when they attempted to coalesce viewpoints on "the common denominator" and to coordinate exchange rates in the member states. Common interests mandate the achievement of that objective, especially in view of the shock to Gulf currency exchange rates as a consequence of rate fluctuations in world currency markets. That shock was attributed to the lack of a "common denominator," as well as to the links four Gulf currencies have to Special Drawing Rights [SDR's], links between the Omani riyal and the U.S. dollar, and links between the Kuwaiti dinar and a basket of currencies.

The GCC secretariat official source said that a "common denominator" for the currencies of member states is not only mandated by long-range requirements and developments leading to the creation of a common Gulf currency, but now also mandated by pressing and urgent developments with wide impact on all Gulf economies. That is why the governors of central banks and monetary agencies resolved at their recent Abu Dhabi meeting to meet as a group with the ministers of finance in order to discuss that "common denominator," which is supposed to underlie the decision for a common Gulf currency.

'Abdallah al-Quwayz, GCC secretary-general for economic affairs, considered the issue from another perspective when he said: "In order to put the GCC states on the road to full development, it has become necessary to establish uniform tariffs on foreign goods, to allow the free movement of incoming goods, to allow unrestricted movement of citizens, capital, and products, and to standardize fiscal and monetary policies."

Al-Quwayz pointed out that a program to implement the rest of the Economic Agreement would allow citizens to engage in agency operations, purchase the remainder of company shares, liberalize real estate ownership, allow national banks and insurance companies to open branches in all GCC member states, coordinate exchange rates, and establish uniform customs tariffs on foreign goods as previously mentioned.

Al-Quwayz did not conceal GCC hopes to establish uniform strategies for industry and agriculture and for dealing with the issue of substituting foreign manpower with a national work force. He pointed out, however, that there is direct and urgent need to standardize customs tariffs in the GCC states in order to facilitate current negotiations with the Europeans to eliminate a certain percentage of those tariffs and to further clarify the allocation of costs and profits between the two parties and among the GCC member states.

The GCC's relationship with the European Community is rooted in an agreement signed to boost cooperation in energy, technology, and the sciences. This relationship is

currently manifested in free trade negotiations between the two parties, which are ongoing despite the energy tax problem. The GCC and the European Community took a step closer to each other by accrediting Mushtaq Bin-'Abdallah al-Salih to be the GCC's first ambassador to the EC and by opening GCC permanent mission offices in Brussels.

Gulf diplomatic sources believe that the arrival in Brussels of the first GCC ambassador underscores the determination of the two parties to expand political dialogues and economic relations to all fields and to propel them to the extent possible. Such cooperation will be bolstered further when the European Community establishes offices in Riyadh, thereby facilitating contacts and exchanges.

The European Community, which has proposed a gradual creation of a trade zone, wishes to tax Gulf chemical products over a transition period of between 8 and 12 years, while advancing proposals for protecting Gulf infant industries.

The Gulf states, however, are of the collective opinion that European proposals lack balance. The GCC's first ambassador to the European Community said that Gulf countries do not differ with European or other countries on environmental issues. They do share world concern for environmental protection but they doubt the efficacy of the tax and wish, as an alternative, to emphasize investment in clean technology, including the creation of an international fund for its maintenance. The ambassador emphasized that petrochemicals are not at the heart of relations between the GCC and the European Community. Those relations, he added, are distinguished by their strategic dimension, by common belief in the tenets of free economy, and by respect for international law.

Gulf States Counter Money-Laundering Scams

UAE Police Operation

93AE0173A London AL-HAYAH in Arabic
13 Nov 92 p 12

[Article: "Al-Shariqah Police Detains African-International Gang That Alleges It Can Turn Blank Paper into U.S. Dollars"]

[Text] Al-Shariqah—Al-Shariqah Police in the UAE [United Arab Emirates] have apprehended an African-international gang that specializes in innovating new and strange methods of fraud by which it persuades wealthy people that they can double their wealth without any effort by mixing chemicals that transform ordinary blank paper into currency in any amounts desired by the wealthy individual concerned.

A statement by al-Shariqah Police says that particulars of the case date back to the beginning of October, when information was received by the al-Shariqah Police investigators indicating that an individual residing in the

country (an African from Zaire) was looking for a UAE businessman so the African will act as middleman between him and a group of African businessmen to conclude business deals leading to rapid enrichment.

After a while, a source was able to identify this group of businessmen. The first person to be identified by the source was (Macella Kiti Kela), whose father is a general who took part in a coup against the president of Zaire in 1960. The second person identified was (Mackenzie Coneckny Doncien) from the Cameroon, who is a technician specialized in use of the chemicals.

Information then began to flow to the al-Shariqah Police investigators. The gang members alleged that they could print banknotes and then duplicate them. They tried to convince the source that they could use an \$1,000 bill, for example, to produce another similar bill. They also showed the source a film that depicted these individuals with a number of their countries' officials to make their work look prestigious and important, especially since the film showed scenes of vast sums of dollars that were treated with chemicals and then turned brown and other scenes showing these sums being washed and restored to their original condition. The film also showed a man whose entire body was covered with dollars, as if he could afford to throw money left and right.

An authoritative source at al-Shariqah Police said that the second phase began with the gang's efforts to persuade the source of its claims by conducting a demonstration to print banknotes and duplicate them so he could see everything with his own eyes. The source actually gave the culprits \$1,000, and they assured him that they would use chemicals in four phases, each of which took one day. Four days later, the source was surprised to find that the sum was doubled to \$2,000. The gang members then told him that they used an immensely expensive chemical compound.

They then assured the source that they deal in millions of dollars and that what he saw was just a small sample to prove and confirm that their claims are true. They also stressed that the chemicals used were very expensive, especially the compound used in the final phase, a small bottle of which costs \$2 million. They said that this is why they only dealt with large bills.

The source tried to persuade them to double a sum of \$100,000, but they refused, stressing that the minimum for performing the process is \$5 million. They also told him that they dealt with prominent wealthy people throughout the world, especially with major firms, that they had secret contracts, and that this is why they did not have time to deal in small transactions. The source agreed to their demand and gave them 18.5 million dirhams (nearly \$5 million) so they would increase it ninefold to amount to nearly 163 million dirhams. Because they had entered the country on a visitor's visa, they agreed to return within 10 days after they left the country to complete this major operation.

They did, in fact, return to the UAE on 27 November and contacted the source again, seeking to prove their goodwill to him and to make a demonstration with a small amount of UAE currency before embarking on the major operation. He gave them 20,000 dirhams, and they doubled the sum to 40,000 dirhams in four days. At this point, some police elements were able to infiltrate the gang while it conducted the demonstration. Thus, the police was able to expose the strange and innovative way by which the gang claimed it could turn blank paper into banknotes and duplicate the money. It was a matter of fraud, deception, and sleight of hand. It became evident that the gang achieved this end in two ways. The first called for Max D.K., a French leader of the gang, to get the money doubled and given to Mackenzie, who would then go through the following steps:

He would pour concentrated iodine on the entire sum. When the notes were saturated with the substance, they turned dark and their distinguishing features became blurred. Mackenzie would then wrap the entire sum in a piece of paper, bind it with strong adhesive tape, and deliver the parcel to the owner, assuring him that the sum would be doubled and that he should open it only after 24 hours have lapsed.

In the second phase of the process, Mackenzie brings another parcel with the same measurements as the one he had given the victim, with just one difference—this parcel contains nothing but ordinary blank white paper cut according to the same measurements and saturated with iodine.

Twenty-four hours later, Mackenzie would meet the victim and ask him for the parcel he had given him the day before. He would then open this parcel in front of the victim and insert blank pieces of paper between the banknotes, depending on how much it was to be increased. Each dark banknote was inserted between two pieces of blank paper, and then the entire parcel was wrapped in iodine again. Mackenzie would then press the parcel and hand it over to the victim when it had dried, asking him to keep it with him for 24 more hours. But in fact, Mackenzie would not hand over the original banknote parcel. Using sleight of hand, he would replace it with the parcel he had brought with him.

On the third day, Mackenzie would put a sum of 20,000 dirhams in real banknotes with the victim's 20,000 dirhams, thus sacrificing this sum to persuade the victim to agree to a bigger deal. When he met the victim, he would manage to replace the parcel in the victim's possession with the parcel that he brought with him containing 40,000 dirhams. He would then open the parcel containing the original sum of money and put it in a chemical containing a substance similar to that used to develop film. He would add a few drops of the alleged "very expensive" liquid to the chemical. In minutes, the victim is surprised to see the blank paper that had been inserted with the real banknotes turn into banknotes also. Meanwhile, the fact is that real banknotes had been added to the original sum to deceive the victim and to

tempt him to agree to deals for millions of dirhams. The source convinced the gang that he was persuaded by what it had done in front of him and asked its members to double for him a sum of 2 million dirhams that he had supplied in advance. As Mackenzie was putting a sum of 1 million in iodine, thus turning it completely dark, and while he was dividing this sum into three parcels and wrapping it in adhesive tape, the place was raided, and the gang members were apprehended.

During interrogation, the gang members confessed to the aforementioned details and said they had planned to defraud wealthy people and businessmen and to swindle them out of their money.

Mackenzie also revealed during the interrogation that there are two ways to defraud people out of large sums of money. The first is to use sleight of hand and leave the victim with the blank pieces of paper, as has been noted.

In case this method fails, the second method is used. It calls for putting a large part of the sum of the money agreed upon in iodine. When it turns completely dark and its features change, another liquid is added to the bottle containing the "expensive liquid," thus causing it to explode in seconds. The victim is thus compelled to pay the value of this liquid to the gang, which claims that it does not have the money to buy this necessary liquid. At this point, the victim is compelled to pay no less than \$2 million to buy another bottle of the liquid. The gang members repeat this process several times with the victim, who pays the demanded sums of money because he is completely at the mercy of the gang. He cannot tell the authorities or the police for fear of being legally accountable because he has realized that he embarked on the whole endeavor knowing that it is based on counterfeiting currency.

During the investigation, members of the gang disclosed that some of them were about to go to Doha to practice their fraud there because they specialize in swindling very large sums of money.

An authoritative al-Shariqah Police source said that like all other Gulf states, the UAE has become the target of international swindlers. He has warned citizens who are "businessmen and company owners" not to believe such people or trust their methods so that they will be safe from incurring material and moral losses.

Banking Sources

93AE0173B London AL-HAYAH in Arabic
24 Nov 92 p 11

[Article: "Stiff Gulf Measures To Prevent Money-Laundering Via Region's Banks"]

[Text] Al-Fujayrah—Informed Gulf commercial sources have said that several Gulf states have actually begun to apply special measures to prevent drug-money laundering via their local banking channels, whether through

activities of the [domestic] commercial banks or through foreign banks operating in these states.

In its weekly publication, al-Fujayrah Chamber of Commerce and Industry attributes to Gulf banking sources the statement that efforts have actually been launched to disseminate these measures. These efforts have involved commercial banks and financial institutions licensed to operate in the region. The Gulf central banks will observe the implementation of these measures.

Banking sources have noted that the measures that banks are required to observe focus on the need to determine the client's identity, to keep records, not to open accounts under assumed names, and to determine the client's identity on the basis of official or reliable documents. Banks and financial institutions are also required to keep a record of the documents proving the identity of their clients at the outset of transactions, especially when bank accounts are opened, when safe boxes are rented, or when big cash transactions are concluded. It is also essential that banks take the appropriate financial steps to get information on the real individuals who apply to open accounts and also when they suspect that these people are not working for themselves. This is especially true of investment companies that are not engaged in any commercial or industrial activity or in any form of trade activity in the country in which their office is registered.

The instructions stress that it is essential that banks keep the necessary transaction records for five years at least, regardless of whether the transactions are domestic or international, so they can respond quickly to information requests by the authorities concerned, thus making it possible to recover individual bits of information that can be used as evidence in indictments against criminal behavior.

In accordance with these measures, banks are to maintain records of documents identifying the client, such as copies of official individual identification documents, including passports, identity cards, and drivers licenses. They are also to maintain files of accounts and commercial correspondence for at least five years after an account is closed and to make these documents available to the local authorities concerned so they can conduct investigations and issue indictments.

The second point concerns examining financial transactions. Banks are to devote special attention to all complex and extraordinary transactions and to all kinds of out-of-the-ordinary transactions that do not have clear economic or (legal) purposes. The purpose of such transaction should be checked as carefully as possible and the outcome of the examination should be written in a report and submitted to controllers, auditors, and law enforcement authorities when necessary.

Instructions to the banks require them to notify the authorities concerned immediately if they suspect that money they have received had emanated from criminal

activity. Moreover, they are required to observe instructions issued by the authorities concerned and exert efforts to apply them, thus preventing managers or employees of financial institutions from warning clients when information about them is supplied to the local authorities.

The instructions also stipulate that if banks suspect a client and if they are not required to communicate their doubts to the authorities concerned, then it is enough that they refrain from assisting this client, sever their relations with him, and close his accounts.

Banks must establish internal programs to combat legitimizing crime money. These plans should include internal policies, working procedures, and controls, as well as executive directives calling for adherence to the full application of these measures and for extreme care in the selection of employees. The instructions also require the banks to develop constant employee-training programs and to establish a control system to ensure that these instructions are applied fully.

The third point in these instructions focuses on urging national and foreign banks operating locally to develop the ability to adapt to the conditions of other countries. This point requires these banks to devote special attention to commercial relations and to transactions with individuals in countries that do not apply or do not fully adhere to applying recommendations issued by the Financial Procedures Committee to fight the legitimization of drug money. In case these institutions cannot discern a clear economic or legal objective, they must check the background and purpose of such transactions as carefully as possible. They must put the outcome of their examination in writing so as to help controllers, auditors, and the authorities concerned apply the law.

Banks and financial institutions must also apply these instructions in their branches and in branches located in other countries in which they are majority owners.

Arab Cooperation Council Headquarters Closed

93P40079A London AL-SHARQ AL-AWSAT in Arabic
17 Dec 92 p 4

[Text] An official in the Jordanian Foreign Ministry has noted that Hashim Tawfiq, the secretary general of the Arab Cooperation Council [ACC], recently issued a decision to close the ACC headquarters and terminate the services of all its employees. The Jordanian official said that the council's senior leadership—composed of the leaders of the four states of Egypt, Yemen, Jordan and Iraq—informed their embassies in Amman of the decision to close.

AL-SHARQ AL-AWSAT has learned that the employees whose services to the ACC were terminated presented a memorandum to the Jordanian Foreign Ministry demanding compensation for their termination, but the ministry responded that the ACC's internal structure

does not give the ministry the right to make any compensation. Mr. Muhammad Midah, the Egyptian press attache in Jordan, said that closing the headquarters amounts to an official recognition of the end of the ACC.

Labor Council Estimates Gulf War Losses

93AF0215B Cairo AL-WAFD in Arabic 29 Sep 92 p 2

[Text] A report by the Labor Committee of the Egyptian Assembly indicated that the total loss suffered by Egyptian workers in Kuwait and Iraq because of the Gulf crisis totaled \$22 billion, including \$1.5 billion in lost wages, \$15,743 billion in lost accounts and material losses, and \$3,391 billion in lost severance pay in Kuwait and \$2,362 billion in lost severance pay in Iraq. The report said that the total number of Egyptian workers who suffered losses was 179,500. This figure includes seconded workers and workers on leave without pay from their government and public sector jobs, Egyptians not having other jobs in Egypt, and those who were in Kuwait during the Iraqi occupation.

The report mentioned that 232,271 workers returned from Iraq. Their bank deposits and saving accounts were \$260 million. They had unpaid money orders totalling \$682.9 million as of 6 January 1990. Their confiscated savings, which the Iraqis did not allow them to transfer, totaled \$720 million. These figures were reached by calculating that the average monthly transfer of Egyptians working abroad was \$600, multiplying that by the number of Egyptian workers in Iraq multiplied by eight months. The material losses were estimated at \$700 million according to the reports. The total loss is \$2.362 billion, in addition to wages due to the workers and the severance pay for the Egyptian workers in the Iraqi sectors covered by social security and in the socialist sector. The study did not include the compensation due to the Egyptian workers.

The report indicated that many elements were taken into account while calculating the economic consequences of the Gulf crisis. These elements included money transfers in both Kuwait and Iraq, estimated at \$2.4 billion annually; the investments required to provide job opportunities to the repatriated manpower, estimated at \$4.5 billion; the direct material losses incurred by the returning manpower, such as severance pay, frozen bank assets, and bank transfers and personal belongings totaling more than \$10 billion.

The report added that the basic elements of estimating the losses included transportation costs of \$300 per person, an increase in the food and petroleum products subsidies due to the sudden return of huge numbers of people and 17,000 cars, a billion dollar loss in tourism revenue, \$300 million in estimated decreases in Suez Canal revenue, and the increase in consumption and the resulting inflation. The report added that the decrease in revenue from work permits and social security, which will affect the Treasury, is estimated at \$647.3 million.

Concerning Egyptian workers in Libya, the report called for reconsidering the organization of labor migration to Libya to prevent similar economic, social, and security problems. The report affirmed that opening the borders with Libya resulted in a huge surplus of Egyptian workers in Libya. The report warned against the repetition of the Iraqi experience in Libya. It affirmed that similar events are taking place. Unemployment has reached 70 percent, and the daily wages have decreased due to the abundance of African labor in Libya.

The report said that the constitutional right of migration and travel did not deal with the travel of Egyptian labor for tourism and in particular to the countries that do not require an entry visa. This led to some practical difficulties faced by the Ministry of Manpower in specifying a policy for the migration of this category of labor to ensure the Egyptian workers have good contracts and to maintain their rights.

The report indicated discrepancies in the number of Egyptian workers abroad because of the difficulty in conducting a census. The report indicated that the estimates of the diplomatic missions indicated that 3,107,138 Egyptians are working. The estimates of the Ministry of Manpower and Training put the number at 2,051,012 workers. This discrepancy exists for many reasons, including the fact that many departments are responsible for the workers abroad and that many Egyptians do not register their names with the Egyptian consulates abroad.

Saudis, Egyptians Discuss Joint Ventures

93AF0215A Cairo AL-JUMHURIYAH in Arabic
30 Oct 92 p 1, 3

[Article from Cairo: "Saudi Businessmen After Meeting With President Mubarak: \$500 Million Joint-Venture Company, New Housing Complexes in Cairo and Other Governorates"]

[Text] A Saudi delegation of businessmen expressed their desire to participate in the planning for the reconstruction of the areas affected by the earthquake. They also expressed a desire to build housing complexes with all of the necessary infrastructure.

They expressed a desire to participate in urban planning, not just in Cairo, but also in other governorates according to what Egypt wants and according to Egyptian laws.

Muhammad 'Abd-al-Muni'm, director of the presidential press office, said that the above statements were made after a meeting yesterday afternoon between President Mubarak and a number of the Saudi businessmen participating in the first conference between Saudi and Egyptian businessmen.

He added that the Saudi businessmen hailed the efforts of President Mubarak and the Egyptian Government to speed the relief efforts after the earthquake. They

affirmed that such efforts were exemplary and much better than those adopted by the richest countries when facing such disasters.

He pointed out that the Saudis have expressed their admiration of the Egyptian method of step-by-step economic reform. He affirmed that such a method has become an example for the world at large. He added that Egypt is being regarded differently since it adopted the gradual economic reform policy.

He said that the Saudis have expressed their desire to enhance transportation between the two countries and the other Arab countries and to support the role of the private sector in development and reconstruction.

He said that the discussions dealt with the formation of committees to discuss methods of establishing companies, corporations, and institutions capable of supporting ambitious cooperation between the two countries.

Reconstruction Companies

Isma'il Abu-Da'ud, Chairman of the Saudi Chamber of Commerce said that important projects were discussed during the meeting, such as the establishment of a \$500 million joint venture for the reconstruction of houses destroyed during the earthquake and the building of new houses with a view toward guaranteeing the rights of the landlord, the tenants, and the company.

He said that maritime companies will be established to operate between Safaga, Diba', and Yanbu' to facilitate access to Saudi Arabia and the other Gulf countries. He also mentioned that tourist companies shall be formed to take advantage of the tourist spots in Egypt.

He expressed hope that the reconstruction company will start operating soon and according to Egyptian law. He added that Saudi contributions to the victims of the earthquake are being collected from individuals and will be sent to Egypt in a lump sum.

Maghreb Transportation Infrastructure Discussed

93AF0280A Rabat ALMAGHRIB in French
16 Dec 92 p 7

[Unattributed article: "Transportation Infrastructures in the Maghreb: A Not Very Homogeneous Use of Space"]

[Text] *The transportation networks in the countries of the Arab Magreb Union [UMA] do not have the characteristics and the equipment that would make it possible for them to respond to an international level of traffic. However, to a certain extent they do respond to transportation needs generated by national economic and social activities, said Mr. Jebli, the director of technical affairs at the Ministry of Public Works, Professional Training, and Cadre Training.*

Speaking at the international meeting on financing the Maghreb highway (26-27 November in Fes), Mr. Jebli

emphasized that an assessment of the "Transportation" sector in the region points to the existence of a regional imbalance and space use by infrastructures that are not very homogeneous: for example, the highway density is 0.11 kilometers/kilometer² in Tunisia, 0.08 in Morocco, 0.04 in Algeria, 0.03 in Libya, and 0.006 in Mauritania. So the UMA's current road network, Mr. Jebli added, is comprised of more than 200,000 km of roads, 61 percent of which are paved. The majority of the roadways have a flexible structure and have paved surfaces of coated material or surface treatment. A large proportion of the roadways are not more than 5 meters long. Forty-five percent of the roads, which belong to the classified network, are in good condition and 40 percent are in passable condition, while 15 percent are in poor condition, it was stated.

The highway system is still underdeveloped (some 700 km, to which should be added roads leading out of major cities. Seventy percent of this linear distance is located in Libya), he added.

The Maghreb's railroad network, he stated, is made up of a total length of approximately 8,500 km, of which 1,300 km are electrified and 300 km have double rails.

Morocco, Algeria, and Tunisia have connected networks with homogeneous traits. Mauritania has just one line linking the Zouerate iron deposit with the port of Nouadhibou. In Libya this type of transportation is not yet in use.

Furthermore the Maghreb's coasts, stretching for approximately 8,300 km, include several sites that offer possibilities for the construction of specialized ports with deep water docks which would allow them to receive high tonnage ships.

At the moment, Mr. Jebli said, Algeria has 10 major commercial ports, the main ones being in Algiers, Arzou-Bethioua, Oran, and Skikda; Libya has eight business ports, the biggest being those in Tripoli, Benghazi, and Masratah. Tunisia has six business ports in Tunis, La Goulette, Sfax, Bizerte, Gabes, Hades, and Souss.

Morocco, for its part, has 28 ports scattered on both its coasts, which are about 3,000 km long: 11 are commercial ports of an international standard while the other ports serve their region and local area and in particular serve activities associated with coastal fishing and leisure boating.

Mauritania uses one deep-water port: the port of friendship.

Assets

In the aviation area, Mr. Jebli added, at present the UMA is the African region with the best equipped aeronautical infrastructure: 94 platforms are available to air traffic, of which 22 are international airports equipped with all the facilities needed for air safety and able to accommodate all the major carriers.

Having said this, the countries of the UMA are currently working to establish a transportation policy aimed at setting up satisfactory infrastructures and the adoption of consistent, unified regulations to ensure better movement of goods and people.

Speaking of the agreed upon projects, Mr. Jebli explained that the definition of a highway network to serve the Maghreb is already at an advanced stage. It will serve the main socioeconomic poles of interest.

This network, which is to be made up of several existing roads, will be completed by other links and receive support from high priority national modernization programs.

Network analysis techniques will be applied to all of the existing and planned road network. A study dealing with matters pertinent to the flow of existing and potential transportation will complete this analysis, he added.

Projects

Furthermore Mr. Jebli emphasized that the countries of the UMA have decided to plan to build the Unity Highway which will link the Maghreb's main cities from Nouakchott to Tobrouk over a length of more than 6,000 km.

Specialized commissions have already begun the preliminary study for this project and started to draw up construction and operating standards, he pointed out.

With regard to border areas, crossings have been opened on land routes. However the Mauritanian network has not been linked to the networks of its Union neighbors.

So the countries of the UMA have expressed a particular interest in seeing this network completed.

In this connection, Mr. Jebli explained, the study of Mauritania's road infrastructure needs defined two high priority routes: Nouakchott-Nouadhibou (476 km) and Nouakchott-Akjoujt-Atar-Zouerate-Ain Ben Tili (1,399 km, 316 km of which are paved).

The completion of Mauritania's Atlantic highway backbone and connecting its network to Morocco's and Algeria's will bring land communications prospects with West Africa to the countries of the Union of the Arab Maghreb, he asserted.

Infrastructures of Railroads...

In the area of railroads, Mr. Jebli added, some major undertakings have been decided upon. One of these is improving the quality of service on the current trans-Maghreb train by reducing the time it takes to travel between Casablanca and Tunis from 48 to 30 hours by 1999. This will require a partial doubling of this line and the installation of different electrification, signal, and telecommunications equipment.

These undertakings anticipate extending the regular road network from Tunis to Tripoli. This will make it possible

to further consolidate the economic and social exchanges between these countries. In the long term, these undertakings also anticipate providing the countries of the UAM with a high-speed Maghreb train, which would initially link Casablanca to Algiers and Tunis, three urban areas each of which will have more than five million inhabitants by the year 2005.

...And Ports

Last, with regard to port infrastructure, developing a master plan for the Maghreb is anticipated, he went on to say. This plan will make it possible to analyze transit conditions for goods in the Union's ports and point out all the steps that need to be taken to ensure the movement of goods under the best economic conditions, including the establishment of various dispersal ports and the creation of naval repair and construction infrastructures.

Involved is a set of ambitious projects aimed at economic integration objectives and whose realization, Mr. Jebli stated, is a necessary condition for any stepping up of inter-Maghreb transportation and thus for the building of the Union of the Arab Maghreb.

Progress

The combined efforts of the countries of this economic unit have already made it possible to give notice of their steps and their joint projects to the UN's special agencies, other regional units, and the countries in their immediate vicinity, especially the EEC and the countries of the Machrek.

These projects, and most especially the Maghreb highway and the bridge across the Strait of Gibraltar, have been recognized as being of great interest by the ECA [Economic Commission for Africa], the Conference of African Transportation Ministers, the Conference of Ministers of Public Works of the Organization of the Islamic Conference, the 5+5 Dialogue Group, and practically all international financial agencies, Mr. Jebli concluded.

EGYPT

Pope Shanudah Discusses Sectarian Strife

93AF0206B Cairo AL-AHRAR in Arabic 9 Nov 92 p 8

[Interview with Pope Shanudah by Jamil Yusuf in Los Angeles; date not given: "Pope Shanudah Says, 'There Is No Sectarian Strife in Egypt, but There Are Extremists Who Are Killing Muslims and Christians'"—this interview also appeared in AL-WATAN AL-'ARABI]

[Text] Expatriate Copts had a strong and moving reaction to the news reported by news agencies about the recent sectarian events in Asyut and its suburbs. This followed the publication of reports in THE LOS ANGELES TIMES and the publication of articles paid

for by a Coptic society in THE WASHINGTON POST. All of the information in these reports and articles was erroneous and biased.

We had to interview His Holiness Pope Shanudah III, who was in Los Angeles after concluding a European tour during which he had visited many important capitals. There were many unanswered questions in my mind when I met Pope Shanudah. The conversation with His Holiness was cordial, pleasant, and enriching. It was a conversation that carried one to a world whose simplicity and reasonable premises were dazzling.

[AL-AHRAR] Will Your Holiness talk to us about your tour of Europe and its purpose?

[Shanudah] This was actually a pastoral visit to our expatriate parishioners, who need intensive care because they live in a society that is alien to them culturally and linguistically. They live in an environment that is different from the one in the East, where they used to live. We are always trying to build ties between them and the motherland. That is why I establish churches, visit the expatriates, and send priests. I do this to preserve the Egyptian character and nationality of our parishioners and to preserve their ideals and their principles.

[AL-AHRAR] Your Holiness, there are 50 Coptic churches in America, 38 in Europe, 17 in Australia, seven in Canada, and two in South America. Does the existence of this number of churches in the new country and in Europe mean that the Coptic Church and its members are emigrating from Egypt?

[Shanudah] Copts were not the only group that immigrated to the West; Muslims, Christians, and others immigrated too. In fact, there are immigrants from all the countries of the world, and they represent the various religions.

As far as we are concerned, we neither encourage nor prevent immigration. Every person looks for a place where he can be comfortable, provided his comfort harms no one. We think it is our duty as a church to take care of these people in the countries that are not the countries of their birth. We think it is our duty to set up ties between them and the mother church and between them and their country of origin.

An Intra-Islamic Dialogue

[AL-AHRAR] Your Holiness, what is the impression you have of the phenomenon of extremism and violence in Egyptian society? Do you think such incidents are a threat to the presence of Copts in Egypt?

[Shanudah] Extremists represent a problem for everyone: Copts as well as Muslims. They do battle with everyone who holds an opinion different from theirs, and they declare him a nonbeliever. To them, a nonbeliever is not someone who denies the basic tenets of faith, but it is everyone who disagrees with them, even on simple matters. The only thing these people believe in is

the amir's [commander] authority. They believe in the amir's authority even if that amir were a plumber or a tinsmith. An amir's commands are to be carried out even if these commands involved killing, plundering, or destruction. I have even told many of my fellow Muslims that I wished we could find out what an amir's position is in Islamic theology. When I told them we would like to know what that position means, I was told that the notion of an amir did not exist in Islam. This is a problem whose solution does not lie in a dialogue between Copts and Muslims, but rather in a dialogue among the Muslims themselves. Such a dialogue would explain what Islamic law has to say about the authority of an amir who is the recipient of people's loyalty oaths and vows of absolute obedience. These people's absolute obedience to the amir is such that anyone of them would kill another with a clear conscience because he would be carrying out a religious act for which he will be forgiven on Judgment Day.

We are always saying that a good deed must not only be good in and of itself, but also the means of that deed, as well as its goals, must be good. The results of a good deed must also be good, as much as possible, because evil results are brought about by some things that were meant to be good.

There is no doubt that what is happening is harming the reputation of Egypt and all Egyptians. And who among us would accept harm being done to his country?

In fact, the reputation of the religion itself is sometimes harmed. Islam does not command people to do such things. A true Muslim is someone whose deeds and words harm no one.

As grave and offensive as these incidents are, they do not constitute a threat to Copts because they are individual incidents that are denounced by all of Egyptian society, and that includes Muslims as well as Christians. These incidents occurred in clearly defined areas, and they are being resisted by the state and by society.

And What Is the Solution?

[AL-AHRAR] In your opinion, Your Holiness, what is to be done with these people?

[Shanudah] Sound opinions have to be disseminated so that the number of people who subscribe to such misconceptions can be reduced. Although it may not be easy to change the minds of those who subscribe to such misconceptions, we can at least prevent an increase in their numbers. We must also do something to immunize people's minds and fortify their principles to keep them from being pulled into this tide. We want to keep them from subscribing to those principles and thereby allowing the circle of extremism to expand and to grow.

As far as we are concerned, we like Muslims who adhere to their religion very much because they harm no one and attack no one. They pursue a course of virtue which all religions call for.

[AL-AHRAR] One wonders about the news which has been reported by news agencies in bits and pieces and printed in American newspapers. Where is the truth in this thorny question?

[Shanudah] It is undeniable that regrettable incidents are happening in Dayrut. Even Egypt's Ministry of Interior is not denying these incidents, accounts of which were published in newspapers. What we are saying is that the perpetrators do not hold positions of responsibility either as religious or administrative officials.

The Egyptian Government itself is a very moderate government. It is not a fanatic government, and it is trying to find all the means it can use to save people from crime and enable them to avoid crime. Sometimes, however, when the situation becomes calm, these people would contrive an incident elsewhere to prove their existence. It is their way of declaring: "We are here."

These people do not care about anything. All they want is to achieve a certain objective, even if they did that by criminal means. In some instances killing a few Copts may be part of what they do to confront the state so they can make people feel insecure and unsafe. I believe, however, that the Egyptian government is very serious about going after them since it amended criminal laws to provide the police with more help so they can go after these people, arrest them, and hold them accountable for their actions.

Ideas Alone Are Not Enough

[AL-AHRAR] Does Your Holiness agree with the principle of using violence to confront violence or that of using ideas to confront [other] ideas?

[Shanudah] When it comes to fighting ideas, the basic notion that we must agree about is that one can fight ideas with ideas if the ideas one is fighting are those of people who are free and open-minded. But if people are held captive and if they are someone else's wards, none of the ideas that will be presented to them, no matter what they are, will be accepted. Even the Mufti, who is a virtuous man and a worthy scholar, was targeted when he started articulating other ideas.

Ideas are the domain of those people whose minds were not enslaved when they declared their loyalty and their absolute obedience to their leaders. A person who does not think freely, who does not use his own mind to think, but who rather relies on the mind of someone else is a person who does not think. Such a person is one who receives orders, and such ideas will do him no good. It does not surprise me that people with closed minds fight the ideas of virtuous scholars since such people are locked into obedience to commanders who virtually drive them into a certain stream of ideas. They accept no ideas but those of the amir.

And yet, what we have to do is disseminate proper ideas even in the presence of those who do not accept them and who may consider us dissenters who broke away

from the faithful. They may even declare us nonbelievers. But ideas are essential for the general public to prevent the contamination of those minds which have not yet been enslaved by the ideas of those people.

This is what is actually happening now in Egypt. There are many liberal writers who are publishing articles that contest wrong ideas. They are attempting to free people from their enslavement to those ideas.

[AL-AHRAR] What are the factors that might help us at the present time overcome this difficult period in the history of national unity?

[Shanudah] Three factors are a must: punishment for those who are involved in wrongful deeds, and ideas to spread awareness. Time is the third factor.

Time is required [to discredit] those ideas that spread over a certain period of time. We cannot say that a sudden change would occur. We have to work hard, and at the right time we will reap the fruits of ideas and of our use of education and persuasion. We must neither give up nor be fearful.

[AL-AHRAR] Why don't you call for the formation of a supreme religious committee which would be made up of senior Muslim and Christian clerics? That committee would bring Muslims and Christians closer together and disseminate proper ideas?

[Shanudah] The idea of bringing Muslims and Christians closer together is an idea that appeals to me and one that I have always called for. I remember saying in 1977 at a meeting of Muslim and Christian leaders, which was convened in 'Abdin Palace by President al-Sadat, that we had to come closer together because if we do not, we will become estranged from each other. I made suggestions regarding Muslims and Christians working together closely and holding meetings on an ongoing basis. Unfortunately, none of these suggestions was carried out. At that time I even proposed that books jointly written and edited by Muslims and Christians be published. These books would deal with matters that all of us agree about, such as virtue and fighting atheism and libertinism. In addition, Muslims and Christians would also work together on patriotic books. Although President al-Sadat became enthusiastic about the idea and encouraged it, nothing was done for all practical purposes.

There is cooperation and closeness in every sense between us and our fellow Muslims. So much so that in one of my articles I said that we were extending our hands to fellow Muslims and asking that we live together on friendly terms in every sense. We are always calling for this spirit of friendship to prevail among Copts and Muslims in our meetings and joint activities. And when I travel abroad, I always go out of my way to visit my

fellow Muslims in the Islamic centers to underscore the depth of the affectionate relationship we have with each other.

[AL-AHRAR] Has the recurrence of sectarian incidents perverted the thinking of some Copts? What is your role in remedying that?

[Shanudah] The problem that Egypt has is one of extremism; it is not merely a problem of conceptual differences. Conceptual differences can exist among Christians, and they can also exist among Muslims. The problem in Egypt lies in the fact that these conceptual differences or this extremist thinking has been mixed with violence and crime. Consequently, the goal is no longer one of doing away with extremist thinking.

Let me assure you that violence among Christians is non-existent. No Christians were ever arrested and found to have unlicensed weapons in their possession.

If one occasionally encounters Christian ideas that offend our fellow Muslims, such ideas constitute a reaction to the violent incidents that are carried out against Christians, and the church does not have the authority to control these actions and reactions. Nor does it have the authority to control the articles that are written about them. We are always telling people who engage in such conduct that this is not the required approach which we are calling for to deal with matters.

I am sometimes told about an article that someone wrote in America. Am I supposed to know about everything that is written in that regard? How can I when these people are not expressing the point of view of the church? I myself did read several such tiresome articles which were written against me. I was called lenient in these articles, and I was also called a "yes-man" and many difficult things.

What matters to us, however, is what the virtuous majority think. As far as we are concerned, we are fighting these jaded ideas inside the country and abroad. Sometimes, however, incidents speak louder than mere ideas and their effect is more profound. The recent attacks are the best evidence of that.

[AL-AHRAR] In your capacity as one of the leaders of the World Council of Churches, what role can you play to support peace in the Middle East?

[Shanudah] I personally like the Palestinians, and I have always defended them in all the meetings I have had with world leaders. I even remember telling President Carter when I met him in 1977 that it was inhuman that a nation have no homeland. I have always maintained that the Palestinians must have a homeland.

President Mubarak is actually doing his best in this regard because a solution to the Palestinian problem is a matter of interest to the Arab world. Sometimes, however, the discussions are not easy.

Other Issues

[AL-AHRAR] Are you optimistic?

[Shanudah] I am not pessimistic at all.

[AL-AHRAR] Do you still write poetry?

[Shanudah] Actually, the full schedule that I have keeps me from writing poetry. But I may do that when I have free time.

[AL-AHRAR] How would Your Holiness define the following words: freedom, knowledge, art, sin, love, and marriage?

[Shanudah] Freedom means freedom from within. One must be free from within before one can exercise that freedom in overt actions. Freedom does not mean that a person can do anything he wants to do, but it means that he can do what he wants to do as long as his actions do not infringe upon the freedom or the rights of others or violate public law.

Knowledge is learning. No one, however, knows everything. It is better for a person to know himself first; to know God, second; and to know his rights and obligations to others, third. This is true knowledge.

Art is beauty in everything. Art should have a spiritual purpose. It should not be a purposeless expression or an expression whose purpose is evil.

Sin is everything that troubles the conscience, provided that this conscience is sound and exercises proper judgment. There are people whose conscience is so unbalanced, that they do not find sin sinful. And there are people whose conscience is so narrow, that good deeds to them are sinful.

Love is not lust, which is always on the receiving end. Love is always on the giving end. Love is the deepest human emotion, provided it is chaste and seeks the benefit of others.

Marriage, as some people said, is the manifestation of one half of one whole unit looking for its other half. It is not merely a relationship between a man and a woman, but it is also a responsibility and a commitment.

Nine Arab Investment Projects Approved

93AF0176B London AL-SHARQ AL-AWSAT in Arabic
13 Nov 92 p 10

[Text] The executive council for 10th of Ramadan City in Egypt approved the allocation of the necessary sites to establish nine new foreign projects. The total capital of these projects exceeds 200 million Egyptian pounds.

Faruq al-Sunbati, chairman of the council, said that investors from Saudi Arabia, Yemen, Japan, Syria, Kuwait, and Singapore, as well as a number of Egyptian investors, will participate in these projects.

Six of the new projects are for the production of cooking oil, ghee, butter, medical supplies, cosmetics, and high-tech medical equipment. He added that the combined capital of each of these joint ventures between Egypt and Yemen, Saudi Arabia, and Japan is 155 million L.E.

He said that there are three other joint venture projects between Egypt and Singapore, Kuwait, and Syria for the production of garments, jute, and yarn. The total capital of these projects is 45 million pounds.

Al-Sunbati said that these projects would provide about 5,300 employment opportunities for the natives of 10th of Ramadan and neighboring areas.

He added that investment applications from 18 Arab and foreign countries, including Saudi Arabia, Kuwait, China, the United States, Turkey, England, and Japan, are being reviewed.

He pointed out that the city houses about 50 percent of the investment factories built in Egypt's new cities. The city is the site of 480 factories, with investments of 4 billion pounds and an annual production of 3.6 billion pounds. He said that one-third of this production is being exported with a monthly rate of 120 million pounds.

Al-Sunbati said that 1,125 approvals have been issued for factories under construction. It was decided to allocate 250 feddans (about 1 million square meters) for an industrial zone for projects aimed at using the by-products of livestock and agriculture for the production of other commodities or animal feed. He said that there is a study to build an airport and a cargo storage area to facilitate exports from the city.

Importance of Relations With France Outlined

93AF0174A Cairo AL-AHRAM in Arabic 20 Nov 92 p 3

[Commentary: "Importance of Mubarak-Mitterrand Summit"]

[Text] There is no doubt that the French-Egyptian summit, which will be held in Paris today between Presidents Muhammad Husni Mubarak and Francois Mitterrand, takes on enormous importance in light of all of the international and regional developments that directly affect the future of peace in the Middle East and the goal of achieving security and stability in that vital region of the world.

The importance of this summit is reinforced by the fact that it represents a continuation of coordination and consultation between Mubarak and Mitterrand. It is a coordination unprecedented in the history of the two countries' relations. This reflects positively and significantly on the scope of the fruitful cooperation between Egypt and France in various areas, in addition to the clarity of France's understanding of Arab issues and the emergence of its support for demands to establish international legitimacy, especially as regards the Palestinian issue.

There is a consensus among various political observers that this summit will be an opportunity to exchange points of view, pose options, and study all possibilities pertaining to the future of the peace process, in light of the active role played by both Egypt and France and their firm relations with the different parties in the dispute. In addition, there is the necessity to evaluate, objectively, the scope of the American role, following the change of American administration, and the need to revive and reactivate the European role to encourage Washington to continue its pursuit of the peace process.

Perhaps it is reassuring that France has a clear policy vis-a-vis Middle Eastern issues. Its point of departure is from basic invariables, most notably, a just and lasting peace that must ensure Palestinian rights, on one side, and guarantee Israel's security, on the other. In sum, it is the principle of land for peace, which is the basis for United Nations Security Council Resolutions 242 and 338.

The issue of peace alone is not the focus of today's Mubarak-Mitterrand summit. There are indicators that confirm that bilateral relations between Egypt and France will take up the major part of the summit's agenda. These topics include France's noble initiative help Egypt erase the effects of the earthquake and the role that France continues to play in support of Egypt's negotiating position with international banking institutions concerning stages of implementing the economic reform program and lessening the debt burden.

Negotiations With French Investors Reported

93AF0174B London AL-SHARQ AL-AWSAT in Arabic
17 Nov 92 p 9

Article by Ibrahim 'Abd-al-'Aziz: "Negotiations Underway With French Investors To Purchase Part of Egyptian Debt"]

[Text] The president of the Egyptian-French Businessmen's Association, Dr. Ashraf 'Umar, said that a number of French investors have offered to buy some of the Egyptian debts and that negotiations with the Egyptian Government in this regard are under way.

Ashraf said that four French banks will take part in evaluating shares of private-sector companies that will be offered for sale on the [French] stock exchange.

He pointed out that trade between Egypt and France increased considerably during 1992. Egyptian exports to France increased by 50 percent, totaling 1.4 billion French francs. The volume of trade was 9.2 billion francs, and the trade deficit continued at a high percentage, totaling 6.3 billion francs.

Ashraf said that new French investments in Egypt allowed the Bell Computer Company to establish the company's Middle Eastern center in Egypt two months ago. Moreover, Peugeot production, which will be offered in October 1993, will cover the needs of the Arab

nations. He pointed out that the Businessmen's Association organized a meeting of approximately 40 French businessmen, who will visit with President Mubarak at his headquarters during his visit to France on 20 October. [as published]

Ashraf explained that one of the association's goals was to organize a monthly meeting of businessmen from the two countries with officials in Egypt, so that they may be apprised of the latest economic developments. Another goal is to establish an information center for French companies that wish to invest in Egypt, so that they can learn of available opportunities to invest their funds and to identify Egyptian partners who wish to enter into projects with them.

Ashraf mentioned that France played an important role in the process of eliminating 50 percent of Egypt's foreign debt to the industrial nations.

Japanese Suzukis To Be Assembled Locally

93AF0188C London AL-SHARQ AL-AWSAT in Arabic
14 Nov 92 p 9

[Report from Cairo: "Assembly of Japanese Suzuki Swift Cars Begins in Egypt"]

[Text] The Suzuki Egypt Company tomorrow will begin manufacturing the first group of new Suzuki Swift cars at its 6 October City facilities.

Tariq Fathi, Suzuki sales manager, said that the first stage of manufacturing will produce 4,000 cars made of Japanese components, with a local content ratio of 40 percent. The cars, all of them on order, will be delivered to their owners as of 1 January.

He said that components for 400 new cars have already arrived at company facilities from Japan and are being prepared for manufacture.

He denied recent rumors that the company violated the law by accepting binders from individuals and showrooms before opening letters of credit for importing the components and before beginning manufacturing procedures.

According to the rumors, the company had collected some 15 million pounds in binders for the first group of cars even though it had not yet begun installing production lines or contracting for either the local or imported components for local manufacture.

Fathi asserted that such rumors have no basis in fact and that the company is committed to the dates and schedules it set for delivery. He added that reservations were not open to the public until after the company contracted for both local and imported components.

He said that the company will initially manufacture 4,000 cars, of which 3,700 have already been ordered and will be delivered to their individual and showroom owners on the dates specified.

Showroom owners in Egypt said that the new car is popular, as is evident of the large number of orders received in a short time.

Hamadah Karam, manager of the Junaydi, Ltd., showroom, said that Suzuki Egypt began accepting orders for the Suzuki Swift last September through 50 automobile showrooms, as well as through company showrooms in Cairo and the governorates.

He said that a binder of 10,000 pounds is needed to reserve a car. The Swift has a base price tag of 50,600 pounds [as published], rising to 43,000 pounds [as published] with options.

He added that the agreement between the company and showrooms calls for delivery next January through May on a first come, first served basis.

Detrimental Results of Building Ban Projected

93AF0174C London AL-SHARQ AL-AWSAT in Arabic
10 Nov 92 p 10

[Article by Ahmad Gharib: "30 Egyptian Housing Companies Face Bankruptcy"]

[Text] Thirty housing companies in Egypt face the danger of bankruptcy and a freeze on their investments because of a one-year ban on issuing building permits.

The governor's decision to ban construction in the Egyptian capital came as a rapid response to the earthquake, in order to replace Cairo's ancient and low-income quarters, where houses collapsed. However, this decision goes beyond these districts, to other, planned quarters.

Contractors and construction companies announced that the building ban in Cairo threatens their interests and their workers, will increase unemployment, and will result in losses. All of this will force the companies to dismiss some workers because of the lack of work.

The president of the Holding Company for Home Construction, Hamid Fahmi al-Sayyid, said that the decision threatens 110 companies that are subordinate to this holding company and that work in the housing and real estate investment fields. He said that the danger from this decision also applies to other investment housing companies "in both the private and joint sectors," some 20 other companies that build houses in Cairo's various quarters. This is especially true because the interest on these companies' bank debts amounts to millions of Egyptian pounds.

Al-Sayyid added: "Unless there is a prompt response to exclude the housing companies from the decision to ban construction, we shall go to Prime Minister 'Atif Sidqi, in his capacity as the official responsible for this sector because he is minister for business. Housing companies are building 3,785 low-cost apartments, 13,055 economical and luxury apartments, and 802 tourist housing units. Investments in these dwellings exceed 387 million

pounds. The majority of these units were scheduled to be built during 1992-93, and no building permits have so far been issued. The ban on issuing permits for these units will mean the freezing and relinquishment of these investments."

Al-Sayyid said that the ban on construction permits means a ban on legal and organized building under state supervision, while random, unlicensed building would continue in violation of technical and engineering principles. This is what collapses and exposes citizens to danger.

Heliopolis Housing Company intends to build 908 low-cost apartments and 2,570 luxury units; Nasr City Company, 896 low-cost apartments and 787 luxury apartments; Development and Low-Cost Housing Company is building, or starting to build, 490 low-cost and 3,276 luxury apartments, and 637 tourist units; Cairo Housing Development, 1,681 low-cost apartments and 1,170 economical and luxury apartments; al-Shams Company, 1,884 low-cost and 1,991 luxury apartments; al-Nasr Housing and Development Company, 1,047 low-cost and 410 luxury apartments; and, al-Ma'adi Growth and Development Company, 399 low-cost units and 3,886 luxury apartments. In addition, al-Ma'murah Company and the United Housing Company in Alexandria are building 1,710 luxury units and 169 tourist units. These housing units total 22,100 apartments and 806 tourist units.

Al-Sayyid said that these dwellings, with their huge investment, are threatened by the ban because the governor's decision comes at a time when the number of dwellings that collapsed as a result of the earthquake totals 50,000 apartments, and Cairo needs this number of new dwellings to meet the shortfall in housing.

The heads of the housing companies announced their support for the decision to ban building in the old and populous areas until the replanning of these areas is complete and because of the possibility of moving the residents of those areas to new communities around the beltway to relieve the high population density. However, there is no justification for a construction ban in areas that do not suffer from these problems, such as Misr al-Jadid, Nasr City, al-Ma'adi, and other areas of expansion, such as al-Maqtum, al-Shuruq, and al-Haram, because continued building in those areas will help to alleviate the crisis.

Misr Bank Posts Stocks for Exports Guarantee

93AF0188B London AL-SHARQ AL-AWSAT in Arabic
14 Nov 92 p 11

[Report from Cairo: "Egyptian Bank for Export Promotion To Sell 20,000 Shares in Export Guaranty"]

[Text] The Egyptian Bank for Export Promotion will sell 20,000 shares, or 20 percent of its holdings in the Egyptian Export Guaranty Company. The stock will be offered to exporters and institutions at 100 pounds per

share. The bank currently holds 55,000 Guaranty shares valued at 5.5 million pounds.

The bank offering conforms with the company's articles of incorporation, which stipulate that institutions, other banks, and individuals must be given an opportunity to subscribe to the company's capital within a year of operation.

The Egyptian Export Guaranty Company was formed in May 1992 under Law No. 21 for 1992 as an Egyptian stock company with a licensed capital of 50 million pounds and an export capital of 10 million pounds represented by 100,000 equal shares with a par value of 100 pounds.

Owners of the company include the National Investment Bank, which contributed 15 percent of export capital, Misr Insurance Company, with 10 percent, al-Sharq Insurance Company, with 10 percent, and the National Insurance Company, with 7 percent. The company helps promote Egyptian exports by insuring Egyptian exporters against commercial risk.

Bank Union President: \$10 Billion in Reserves

93AF0188A London AL-SHARQ AL-AWSAT in Arabic
7 Nov 92 p 10

[Report from Cairo by Safa' al-Minyawi: "Federation of Egyptian Banks President: \$10 Billion in Central Bank Reserves"]

[Text] Mahmud 'Abd-al-'Aziz, president of the Federation of Egyptian and Arab Banks and chairman of Egypt's National Bank said that currency market transactions are entering a new stage of recovery and that their average volume has risen fivefold from \$300 million monthly in early 1991. He pointed out that Egypt's Central Bank has been supporting the Egyptian pound by buying \$10 billion in foreign currency reserves with which it plans market intervention in order to protect the value of the pound.

He explained, however, that Central Bank intervention would not by itself protect the local currency. Of more significance is the nation's economic performance because the exchange rate of local currency is merely the outcome of the economic struggle among nations, such is the case among the Japanese yen, the German mark, and the U.S. dollar.

Discussing the Egyptian pound's future under free market economies and whether the time has come to free the pound of all restrictions, he said that the keenness of responsible officials to protect the free movement of the Egyptian pound in and out of Egypt has to do only with the security of the interim management of the national economy lest it be exploited for certain unlawful purposes. He added that he saw no need for such caution and that because the Egyptian economy has allowed foreign exchange the freedom of entry and exit, it should bestow the same advantage on the Egyptian pound.

He emphasized the need to break the circle of fear. Caution, even when necessary, should not be blown up to the point of fear and interdiction.

He said that the Foreign Exchange Law was formulated on the basis of a hypothesis that developed over four stages, the last of which calls for policies of full exchange liberalization without risk or interdiction to either foreign or local currencies. Allowing the free exchange of the pound into any other currency through banks or exchange firms must be followed by a policy of unrestricted and unconditional pound entry and egress.

He said that fear of pound entry is unwarranted since Egypt has the apparatus to handle that aspect of security. This should not be linked to the volume of demand for the pound because illegitimate operations are removed from all economic considerations as long as there is continued demand for illegitimate purposes, which are also implemented through unlawful means. "I emphasize that the security apparatus in Egypt is capable of dealing with that aspect without recourse to currency law provisions."

As for the struggle in the next stage between savings and capital market investment policies, 'Abd-al-'Aziz explained that the Egyptian system resorted in the early stages of economic reform to raising interest rates on deposits to between 16 and 19 percent in order to increase the propensity of citizens to save.

But now, as we are about to operate under the money market law and its executive regulations, we are entering a new stage of attracting venture capital to investment with the natural result being a gradual reduction in interest rates and a rise in the propensity to save.

He said that the role of the banking system during the upcoming stage centers on convincing citizens that a full return on investment goes beyond simple annual interest. There is also another capital gain. If the price of a share is 100 pounds, for instance, and its net annual return is 12 percent, this does not mean that the return on investment is a mere 12 pounds. The value of the share will rise from 100 to 160 pounds over a period of approximately three years. This means that this share's annual capital return is about 20 pounds, which is a share of the capital return of the enterprise, which invests its funds in assets, equipment, land, and buildings—all of which generate profits. I believe that this value is much higher than the return on deposits which does not currently exceed 17.5 percent.

'Abd-al-'Aziz emphasized that this will not be at the expense of the banking system if savers withdraw a portion of their deposits to invest them in capital markets. On the contrary, by trading on that market and by rationalization their consumption habits, citizens will save additional funds but will not channel them to the banking system.

On the private sector's role in the upcoming stage of economic reform, 'Abd-al-'Aziz pointed out that the

private sector's primary role during that stage should be an initiative to purchase shares in public sector enterprises that will be offered for sale. The private sector should also undertake new projects and increase holdings in existing enterprises, be they public or private, in order to reform their funding structures.

The banking system helps the private sector in that endeavor by creating new instruments to finance new acquisitions [called acquisition financing], whereby the bank, by offering concessionary loans, would finance a portion not to exceed 50 percent of share value. Using shares as collateral, banks also extend easy and fast soft loans to shareholders with the potential for liquefying them at any time.

Corruption Seen as 'National Institution'

93AF0206C Cairo AL-AHRAR in Arabic 9 Nov 92 p 4

[Article by 'Ismat al-Hawari: "Institutionalized Corruption"]

[Text] The alarm signaling the existence of institutionalized corruption has been sounded. Evil deeds are being spread in our chaste country; crimes and venom are being infused into our society, and the chastity that used to be our bulwark is being destroyed. Virtues that all of us had worn as our badge of honor are being violated. Sinful deeds are being declared permissible, and permissible deeds are being forbidden. People are being stripped of their conscience and persuaded to sell their integrity in a vile marketplace. The good, untarnished reputation that we had inherited from our forefathers is being compromised. Our country is being robbed in broad daylight, not under the cover of darkness. Now, everything is in disarray: Egypt has succumbed to its burden of indebtedness, and Egyptians, divested of their substance, find themselves lost and twisting in the wind.

Yes, corruption in Egypt has become institutionalized, even though no legal announcement to that effect has been made. Institutionalized corruption is a result of the government's neglect. Those who contributed to the institutionalization of corruption had one purpose in mind: They wanted to corrupt people's morals and compromise their integrity so they can seize property and funds whose seizure is forbidden. They had one contemptible interest in common: They wanted gratification for themselves and hunger for others; they wanted life for themselves and death for others; and they wanted to enjoy a life of opulence while others struggled with misery and hardship. Their hearts have hardened, and having allowed greed to get the better of them, their soiled hands have touched everything that is forbidden. One sees them eagerly vying with each other over despicable deeds.

Today, our country is like a cow whose milk is being produced for the continuous benefit of the corrupt, who steal and defile things and then lead people to believe that everything will go on forever. Grave disasters and imminent danger are no deterrent to their corrupt ways.

With the burdens of life exceeding human endurance, corruption swept the land and prevailed. Then, what only God could have foreseen happened: A terrifying earthquake shook and rocked the earth. Multistory buildings collapsed and others cracked. Victims died under the rubble, and ill-fated families became homeless and sought shelter in the streets. Our children died when schools collapsed over them. The terrifying earthquake soon revealed the existence of institutionalized corruption that has dominated and prevailed in our country. Institutionalized corruption is driving our country to the brink of disaster and leading it into poverty, disease, and deprivation.

We must all endure the hardship that is part of our destiny, but we ourselves do not have to add to this hardship. Institutionalized corruption, however, is sending a disaster our way every day as the number of those who contribute to it grows and multiplies. Our present, wise government is the foremost contributor to this corruption. Overlooking the law has become commonplace on its watch, and adherence to the law, a rare occurrence. We tell those in government: "Do not look down upon us. Let us ask you how come no action has been taken to remove a building that was built without a permit? Is it possible that this is being done for the purpose of pleasing God and the people, or is it being done for the purpose of lining your own pockets, even at the cost of people's lives?" Let us also ask our government why it did nothing about homes that were in danger of collapsing. Why did it allow these homes to stand until they were brought down by the terrifying earthquake? Let us ask the government about the schools which were built only a few years ago by the Ministry of Education. Let us also ask the government why it permitted the sale and use of adulterated cement and iron that is not fit for use in the construction of tombs or huts. And let us ask the government why it is allowing people to live in structures that were built in cemeteries despite the fact that it had built many homes all over the place. Indeed, let us ask the government about all these matters so that people can confirm the fact that this government is a major contributor to the institutionalized corruption which now resides on the chaste soil of Egypt.

Indeed, the government has been an unjust, tyrannical contributor to this institutionalized corruption. It is the responsibility of government to establish a society that is unsullied and untainted and to build the character of the Egyptian citizen. What happened to the pledge which government took when it assumed the affairs of government in our country? This is a government which understands too well that pledges between the powerful and the powerless signify nothing but domination and despotism by the powerful and compliance and surrender by the others. Let the government do what it wants to do with its tyrannical power: let it shield the corrupt and protect the deviant. Let it make it easier for thieves to flee Egypt, just as it did before when it made it possible for Ashraf al-Sa'd, Huda 'Abd-al-Mun'im, and Tawfiq 'Abd-al-Hay to flee the country after it was discovered that they had rifled and sabotaged Egypt's economy.

The government did indeed contribute to institutionalized corruption by neither tracking nor monitoring the acquisition of great wealth by people who were very poor. It is the climate of corruption which made it possible for thieves and pirates to be called self-made individuals. It is the climate of corruption which made it possible for flim-flam artists and impostors to be deemed intelligent and intuitive. It is also the climate of corruption which turned men of virtue into scoundrels, dwarfs into giants and heroes, and traffickers into exporters and importers.

The government did indeed contribute to institutionalized corruption because it realizes that crime is the final stage in a series of interconnected stages. When it sees a criminal embarked on one of those stages, it takes no punitive or pre-emptive action even though it knows where he will end up. If the government were to take punitive or preemptive action, no corrupt person would spread his corruption in our country. Instead, the government allowed the struggle to amass fortunes illicitly to become commonplace and customary. Many people are contributing to this institutionalized corruption. Some earn their living by trafficking in drugs, even though they know they are destroying Egypt's resource of young people. Others have brought shame on Egypt through their involvement in the slave trade that they are pursuing to gain wealth. Some people are involved in smuggling goods: They take that approach to ruin Egypt's economy. Others took advantage of the housing shortage: They evaded the law and built high-rise buildings without any control or supervision by the government. All these people contributed to institutionalized corruption that has dominated the country and become exalted in it. Hypocrisy is its method, and its goal is the notion that the end justifies the means.

The poor climate under which this gloomy institutionalized corruption was established has to be changed. But such change will not come about unless everyone who has stolen from Egypt, regardless of his location and position, is required to give a thorough accounting for all his actions. Today, Egypt wants this accounting to uproot corruption and eradicate perversion. Egypt wants every official who turned a blind eye to a corrupt person's crime to answer for his oversight. It does not want officials to use their positions as the means by which pirates, thieves, and saboteurs can escape their actions with impunity.

To the Point

Altruism adds years to one's life.

Let every official in our country know this: This land is our land; the blessings that are found on its surface are ours, and the oil that lies underneath its surface is also ours. How is it then that we perpetuate our own hunger and our own poverty? We have, thank God, become poorer while the thieves have become richer.

Writer Lists Solutions To Save Bread Subsidies

93P4007A

[Commentary by 'Abd-al-Sattar al-Tawilah: Bite Into My Heart, Not Into My Loaf of Bread]

[Editorial Report] In an editorial published in the Cairo weekly magazine ROSE AL-YUSUF of 14 December 1992 on page 5, 'Abd-al-Sattar al-Tawilah expresses his relief that the Supply and Internal Trade Ministry has renounced the idea increasing the price of a loaf of bread in Egypt. In his opinion, such an idea should not even be contemplated, and he proposes what he terms "a very simple solution" that would preserve bread subsidies and, at the same time, comply with IMF demands.

He suggests following Algeria's example by:

- Prohibiting the import of luxury items in order to preserve hard currency and encouraging local industries;
- Helping to establish small industries by eliminating the customs tariffs they pay, reducing the interest rates imposed on them, and providing foreign investments with many facilities; and, most importantly
- Levying a "national cooperation tax" for three consecutive years to enable the government to earmark \$1.25 billion for the preservation of bread subsidies and the revitalization of small industries in order to absorb a great number of unemployed.

Al-Tawilah adds that the Algerian Government made a point of declaring that if its program does not reach its goal, it will impose a capital gains tax after it deducts the value of the means of production and buildings, which it had encouraged through tax exemptions. It has also publicized its policy and the need for the wealthy to contribute in order to abolish social discontent, which provides a fertile ground for extremist trends and terrorists throughout the country. Al-Tawilah believes that Egypt would benefit from the Algerian experiment because Egypt has many wealthy people who import all sorts of luxury goods from Europe. He writes that he is of the opinion that the wealthy Egyptians will cooperate because they have already shown their willingness to help after the recent earthquake.

Less Restrictive Investment Law Proposed

93AF0176A London AL-SHARQ AL-AWSAT in Arabic
13 Nov 92 p 10

[Text] As a result of opinions voiced by Saudi businessmen and investors during a conference held recently in Cairo for Egyptian and Saudi Businessmen, the Egyptian Investment Authority decided to introduce some amendments to the Egyptian Investment Law. The amendments will be submitted to a joint committee of the two countries, along with proposals for broadening the scope of investment in Egypt, including oil services, repair and maintenance, and building hospitals and medical centers.

Economic sources in the Egyptian Investment Authority said that these amendments included amending the profit-sharing stipulation for workers in the joint-stock companies. The percentage was set at 10, provided it does not exceed the annual wages.

The preparatory committee is expected to hold its meeting in December in Riyadh to view three new requests submitted by Saudi investors to set up new projects in Egypt, as well as two projects for graphite poles and for capital equipment and intermediary industries. These two projects were submitted to the Saudis by the Egyptian Ministry of Industry. The sources added that there are many diverse proposals for joint investment projects based on relative advantages and international specialization. These projects could be a basis for joint investment to realize economic surplus and mutual benefits for both sides.

The sources added that work is under way to establish an Egyptian-Saudi holding company to finance the joint projects. The holding company will present and implement available investment opportunities in both countries. It will also finance the purchase and transfer of ownership of public projects to the private sector. The shares of the government companies in both countries will be available for public ownership.

The Egyptian sources affirmed that the Egyptian Tax Service is currently discussing amending the taxation system to ensure encouraging investment and production with the view that the taxation system is an instrument for planning and development and not merely for collecting taxes. The new system is expected to encourage the holding companies to invest in diverse projects, eliminating restrictions on their activities by doing away with the restrictions on capital while expanding and establishing subsidiaries.

Dr. Muhi al-Din al-Gharib, chairman of the Egyptian Investment Authority, affirmed that in the coming stage Egypt will witness increased Saudi investment because of the new rules. He said that industrial projects will double in the fields of garments, leather, wood, and the assembly of electronic equipment and computers, including software and systems. He mentioned that in the last few years, Egypt has expanded the agreements with many Arab countries, especially the Gulf countries, to encourage and guarantee investments. The new agreements included the lists of locally produced goods that are exchanged without imposing tariffs on them.

He added that one of the most important agreements is the one signed with Saudi Arabia. It is expected that this agreement will lead to a sustained increase the trading of locally produced goods and commodities. The lists of these goods are being revised periodically to attach them to the agreement with Saudi Arabia that encourages and guarantees investment.

Dr. al-Gharib said that such an increase in mutual trade will be reflected in the distribution of investment in a way that is compatible with the relative advantages of each country.

Regarding the Saudi investments in Egypt, 'Ali Taha, director of projects for the Egyptian Investment Authority, said that the Saudis are investing in 247 projects. As of 30 June, the total capital invested amounted to 3.840 billion Egyptian pounds. The Saudi share was 1.187 billion Egyptian pounds, or about 21 percent.

He added that these projects include 233 projects in the fields of industry, food supplies, agriculture, livestock, construction, and services. He added that the total capital of these projects is 2.334 billion Egyptian pounds, with Saudi participation of 1.112 billion Egyptian pounds, which amounts to about 23 percent. This is in addition to 114 projects in the free zones in Egypt, which have a total capital of 508 million Egyptian pounds. Saudi investment in these projects totals 75 million pounds, which is about 15 percent.

He pointed out that the first company to enter this field was the Arab Company for Paper and Health Products, which was started in 1973. The most recent company is the Investment Group for Development. The company received approval last June to start its activities and will invest in all fields.

The Saudis participated in 72 industrial projects. The total capital of these projects is 1.065 billion pounds, and Saudi investment totaled 282 million pounds, or about 27 percent. The Saudi side also invested in about 75 financing projects. The total capital of these projects is 1.389 million pounds, with Saudi participation of 478 million pounds, or about 34 percent.

On the other hand, a poll of Saudi businessmen on their dealings with Egypt indicated that they concentrate on commercial activities, which constitute about 62 percent of their business with Egypt. Opinions indicated that the required form for increasing investment activities with Egypt would be through setting up new projects, which was favored by 24 percent of the businessmen who had dealt with Egypt before, and exporting goods to Egypt, which was favored by 20 percent. These two types of business transactions were supported by 52 percent and 21 percent for both groups surveyed.

The poll indicated that 39 percent of the Saudi businessmen who dealt with Egypt before and all of the new businessmen have a better attitude regarding the nature of their involvements with the Egyptians; 33 percent have a satisfactory attitude; 15 percent have an excellent attitude, and 13 percent have a negative attitude.

He pointed out that 62 percent of the Saudi businessmen who have previously dealt with Egyptian importers and exporters have faced some problems. Eighteen percent said that the most significant of these problems is that the goods did not match the specifications. Fifteen

percent complained about the date of delivery, and another 15 percent cited problems with transportation and the list of tax-exempt goods.

Comments on Need for Improved Development Plan

93AF0176C London AL-SHARQ AL-AWSAT in Arabic
31 Oct 92 p 9

[Article by Rashid Husayn: "Egypt and the Challenges of Development"]

[Text] Following the first conference of Saudi and Egyptian businessmen, we would like to present some basic comments aimed at placing investment development in the larger framework of the present status of the Egyptian economy and the challenges facing it. Our basic premise is that the investment sector in Egypt has witnessed, particularly in the last three years, significant changes. The most important of these changes is the success of the Egyptian authorities in not exposing the importance of the changes and in introducing them gradually, just like doses of bitter medication, in spite of bureaucratic resistance and political hesitation. The Egyptian economy has become used to this medication and even started to like it and ask for more, especially now that positive results started to show in the form of increased vitality in a number of sectors. The fact is that the political savvy of the Egyptian leadership in introducing these comprehensive reforms in a country governed by the socialist ideology for many years may not have been recognized in the past.

The first remark after the Cairo conferences was that the Egyptian businessmen's group, despite its weakness, has become the undeclared liberal party and the actual lobby for changing Egyptian society.

In the conference hall of a posh Cairo hotel, the Egyptian businessmen met with their Saudi counterparts. It was evident that this emerging group was still hesitant and did not have clear objectives, especially because a portion of the group still depended on the public sector and was not formed as a result of traditional competition and business culture. Personal initiative is a habit, just like succeeding in business.

We come to the second remark: that the reforms in the investment field, however important, are measures aiming at satisfying the needs of the investors and easing the difficulties that they face. The important issue, according to representatives of the Egyptian private sector, is that Egypt is looking forward to reshaping its economic future and realizing comprehensive development. Egypt's development would be restricted to the improvement of the laws and regulation. It needs national efforts to renew and enhance the educational and technological aspects of the economic pyramid that was weakened through the deterioration of the educational system, the backwardness of the public sector, and the huge financial burden it placed on national resources. Other reasons included the absences of the entrepreneurs and private initiatives for many decades.

The educational system inherited from the previous regimes has many burdens on its limited resources. This system, as well as the present economic structure, produces a large quantity of unskilled labor and entry-level technical cadres. According to Egyptian and foreign investors, the Egyptian economy lacks a dynamic group of businessmen. This shortage may curb the capability of the private sector to fill the vacuum created by the state's gradual withdrawal from the economy and supply leadership in the fields of production, management, and marketing.

Simply said, Egypt needs to invest in the future by allocating a large portion of its resources for a "Marshall Plan" aimed at realizing unprecedented development of manpower by establishing privileged education, missions, or exchange of expertise. This aspect was first noted by Muhammad 'Ali, the founder of modern Egypt. In 1851, he sent Egyptians to study in France. By doing this, he established the first system of educational missions. He directed specialization toward certain objectives, including molding leaders who could later shoulder the responsibility of building the institutions and, subsequently, the economy that paved the way for making Egypt the largest economic and industrial power in the Middle East. A project like this could be proposed to developed countries, international aid agencies, and the Arab countries. All of these parties have a vested interest in financing such an investment in human resources. It is hoped that such a program would be put together not by academicians, but through direct coordination with the institutions, companies, and businessmen.

One of the most important prerequisites for the development of Egypt is completing the liberation of the economic system and guaranteeing its stability for the period of time needed to renew investors' confidence in the future and the state. This confidence was shaken as a result of the decisions of the early 1960's and the economic policies that forced the state's dominance over all the aspects of life. It is very hard for an investor to forget the difficulties he faced in dealing with governments.

Egypt intends also to establish a developed financial market that would give the joint ventures a chance to mobilize the resources. It will provide the investor with the means to facilitate investing, if necessary. Opening the front doors should be accompanied by keeping the back door shut.

Last but not least is the need to decide on the issue of manpower and establishing a competitive labor market, as is the situation in any free economy. It is irresponsible of any investor, Egyptian or Arab, to guarantee the economic success of a business. Employment is a by-product and not the objective of the project.

We are tempted to compare the status of industry in Egypt and Saudi Arabia, which started just over 10 years ago. Saudi industry has already come of age and is very confidently looking for markets and partnerships.

In short, the Egyptian leadership is determined to face the challenges of comprehensive development. It is to the advantage of all Arabs for Egypt to succeed.

JORDAN

Dar al-Koran Leader Warns of 'Civil War'

93AE0133C London AL-HAYAH in Arabic
19 Sep 92 pp 1, 4

[Article by Salamah Nu'mat: "Jordanian Fundamental Leader Warns of Civil War"]

[Text] On 18 September 1992, the spiritual leader of the Dar al-Koran group, Shaykh Hazim Abu-Ghazalah, warned that the "reckless leadership" of the Islamic movement in Jordan, which is trying to gain power, might push the country into civil war, similar to the 1970 fighting between the government and the armed Palestinian organizations.

In an interview with AL-HAYAH, Shaykh Hazim Abu-Ghazalah said: "The Muslim Brotherhood belongs to the mature leadership of the old, careful generation, which strives for the country's good. However, the new generation has many ideas and tendencies. It does not shrink from the reckless, who exploit opportunities. If that occurs, God forbid, we will return to the disasters of the 1970's (civil war)."

The leader of Dar al-Koran, to which tens of thousands of citizens belong, added that his group "is a Sufi movement that wants to stay clear of politics and partisan activities. It does not heed the leadership, government, or anything that distracts the believer's heart from worshipping God."

He stressed that Dar al-Koran had severed its ties with Deputies Layth Shubaylat and Ya'qub Qirrish about 10 years ago, because of "their straying from the call and their preoccupation with politics." He emphasized that his group "had no connection with the political actions or positions of those two deputies," which he considered "personal positions that bear no relationship to the Sufi movement."

Shaykh Abu-Ghazalah said that Shubaylat and Qirrish were detained and awaiting trial in State Security Court on charges of involvement in an illegal armed organization, which calls itself the "Islamic Youth Group." Official sources expect that the court will begin proceedings on 26 September 1992 to try the two deputies and five other suspects in this case.

Shaykh Hazim Abu-Ghazalah stressed again that Dar al-Koran "is not a political party, but is a group helping with the worship of God under the direction of their

shaykh and spiritual guide." In a reference to the armed Islamic organizations that have been exposed in the past few months, the spiritual guide said that Islam "does not oppose leadership being assumed by wise persons who direct the young to know their enemy, not to spread anarchy and attack Muslims." He emphasized that "exploiting the youth so that they will harm Muslims in our country is an error in guidance and does not please God."

Shaykh Abu-Ghazalah thinks that the leaders of the Islamic Salvation Front in Algeria "erred when they wanted to climb the ladder" to attain power. "This is the cause of the tragedy that we are seeing at the present time." He pointed out that the Islamists in Syria committed a similar error, which led to "setting Islam back (in Syria) 100 years because of the lack of wisdom and use of violence." He criticized Iran, saying that "it is a Shiite nation outside the mainstream of Muslims, although it is in accord with the Islamic shari'ah in some matters." He said that the Shiites in Afghanistan who are supporting Iran "are responsible for the carnage that is occurring among Muslims there. If it were not for them, these massacres would not happen."

It should be mentioned that Shaykh Hazim Abu-Ghazalah, who rarely talks to the press, has recently returned from a tour of Islamic centers in the Netherlands and Denmark.

Al-Zibri Explains HASHD Party Platform

93AE0145A Amman AL-LIWA' in Arabic 4 Nov 92 p 2

[Article: "Organizing the People Through Institutions Is Basic Foundation for Building and Securing Democracy"]

[Text] Mr. Taysir al-Zibri, first secretary of the Jordanian People's Democratic Party (HASHD), said that looking at our country's party map in general outline without looking at the nature of what each party contributes in its political, economic, and social programs and intellectual position and without observing the practice in which each party engages leads to a demand for three or four party pulpits in our country. The first secretary of HASHD was responding to a question about why parties similar in their general programs do not merge.

Speaking at a discussion entitled "Why HASHD?" organized two days ago (Monday) by the Center for Studies and Research on Islamic Activities, Mr. al-Zibri added that at the level of political freedoms there were common denominators among the parties in which each party was distinct from the others in its political and ideological position and in its actual practice.

The program of the Jordanian People's Democratic Party, he said, concentrates on three basic issues, though that does not mean that the party rests on these issues and principles and thinks about nothing else. The first of these principles is working to achieve political freedoms for the people according to the provisions and spirit of

the Jordanian constitution and as expressed in the Jordanian national charter. These freedoms include freedom of party activity in accordance with the conditions and standards of political pluralism. They include freedom of the press and publication, freedom of speech and action, and the right to elect legislative institutions in accordance with modern democratic laws. We therefore demand the creation of a modern election law in step with political and social developments. Political freedoms also include the right of the people (including teachers in the government) to organize in labor and professional unions and the right to establish sector unions (women, young people, farmers), since organizing the people and the masses through institutions is the basic foundation for building and securing democracy in the country.

The second principle is dealing with the economic and social conditions of the people, particularly the poor classes, by defending the living standard rights of the toiling classes, especially workers, poor farmers, and agricultural workers. In this context, we demand a national economic policy based on dealing with social problems and devising solutions for them—problems such as unemployment, low and eroding wages, combating corruption and misadministration, the drowning of small farmers with debts, and problems of product marketing and distribution.

We call for a national economic conference in which all sides participate to establish a program of economic action.

The third principle of our program of action, Mr. al-Zibri added, is Jordan's relation to the Arab-Israeli conflict. This issue constitutes a permanent concern for the entire Jordanian political movement and all its orientations without exception; this because of the historic connection between the Zionist conflict and the perennial kinds of hostility threatening Jordan. In addition, there are the reasons that give Jordanian-Palestinian relations a special historical character. Jordan thus has been placed in direct and constant contact with the solution to the Palestinian national problem.

Our party, he said, has espoused issues of supporting the Palestinian people in their just struggle against the Zionist project. We do this to establish effectively the legitimate rights of the Palestinian people (preeminently the right to return and to self-determination in an independent Palestinian state) and at the same time to defend Jordan in the face of Zionist threats. We differ from others on this issue. This is because of our lasting and constant rejection of the mistaken historical treatments of Jordanian-Palestinian relations since 1948, when the Palestinian identity—the national personality—and Palestinian institutions were dissolved and effectively incorporated into the unified national movement. An important aspect of the opposition to the Zionist project was thereby neglected: namely, accentuating the Palestinian identity in opposing this project. It

was the same mistake that was made from 1967 to 1970, when the Jordanian national movement was attached and dissolved in the Palestinian groups.

The two peoples, he added, will determine the future of the Jordanian-Palestinian relationship by their own choice and will, freely and democratically.

Mr. al-Zibri said that the decision to sever the connection opened the door to accentuating Palestinian identity and strengthened the role of the PLO and the demands of the intifadah. Our party, he added, has had reservations about the negotiating process between the Arab parties and Israel from the Madrid conference to the seventh round. It warned about the issue of attempting to naturalize the Palestinians in Jordan and the so-called "functional division" under the Israeli plan for administrative autonomy. It rejected the agreement in principle on the so-called agenda of negotiations between the Jordanian and Israeli delegations.

The first secretary of HASHD reviewed the points of difference between HASHD and the Jordanian nationalist and leftist parties. The most important of these is the organizational and political structure of HASHD, which is a national, progressive Jordanian and Palestinian party based on the concept that the party proposes relating to the question of the demographic makeup of the Jordanian people. This concept, which deals with an important question, rests on the principle that Jordan is essentially composed of two peoples between which there are elements of interconnection and distinction. The interconnection is in the social, economic, and political reality. Its field is the broad democratic struggle. The party deals with this clearly and unambiguously in its program. At the same time it maintains Jordan's role in defending itself in the face of the Zionist challenge and in its national role to face the dangers of Israeli racist policy.

The party deals with the subject of the political distinctness of Palestinian Jordanians by defending their right to maintain their Palestinian national identity in the face of the Zionist project of erasing it and their right to return to their homeland. The party opposes projects for naturalization. The HASHD program also defends the right of Palestinian Jordanians to express this identity and participate in charting and determining their destiny through the PLO.

For this purpose, relying on these objective principles, HASHD shapes its joint national and struggle policy with the Democratic Front for the Liberation of Palestine as one of the Palestinian groups operating in the PLO. It thus develops from its political concept based on the two elements of interconnection and distinctness into a practical framework in accordance with a framework for joint action that guarantees and protects this relationship and directs it so as to serve the struggle of the two fraternal peoples for democracy and social

progress and defend Jordan and support the struggle of the Palestinian people to realize their national rights in the land of Palestine.

The other point of difference in the view of HASHD is based on its conception of mass organization. The question to which the party offers an answer involves whether one builds an elite party or a mass party. A mass party, according to HASHD's conception, rests on a foundation of organizing all popular classes through their union institutions and building their democratic organizations—that is, carrying the organizing operation to the people and their participating in political life in its full political and economic extent.

The comparison between HASHD and the other national and leftist parties, he said, is not defined only by the general ideological or political aspect, but by the products of this ideology and this policy.

Mr. Bilal Hasan al-Tall, general secretary of the Center for Studies and Research on Islamic Activities, opened the discussion with a speech in which he said that HASHD is a party organization that has passed through several stages, phases, and shapes. Our dialogue with HASHD arises from a faith that free and direct dialogue is our way to knowledge, and that knowledge is our way to understanding. What is needed at this stage is that we understand each other, so that we can reach common denominators between us on the basis of which we can cooperate. Then we will forgive each other's differences. Each of us will cease drawing the other's picture from a distance, so that it is a distorted, incomplete, untrue picture. We will stop leveling accusations among ourselves; for the age of underground activity has ended, and it has become the duty of us all to entrench our country's democratic path through dialogue between ourselves and accustoming ourselves to listen to the other view, so that we reach the truth. This is the first of the steps of democracy.

A number of intellectuals and party figures and a large group of interested people participated in the discussion.

Jordanians Organize To Support Deportees

93P40085A

[Editorial Report] London AL-QUDS AL-'ARABI in Arabic of 29 December 1992 reports on page 5 that influential "political, union, and popular" Jordanians are organizing to bring the issue of the Palestinian deportees before the media and to pressure Israel to apply UN Security Council Resolution 799.

According to the report, "Jordanian personalities, including former ministers, parliamentary deputies, journalists and other political and union figures have decided to form a special committee with the goal of organizing a number of activities to familiarize the Jordanian people and public opinion with the ramifications of the Israeli deportation measure. The committee,

called the 'Committee for Solidarity with the Palestinian Deportees,' is headed by former Jordanian Prime Minister Tahir al-Masri."

According to a QUDS PRESS bulletin, the committee's founding meeting was held in Amman on 27 December 1992. The attendees decided to hold a popular festival in the Roman amphitheater in Amman on 1 January. A committee was established to organize further marches and sit-ins. "This committee resolved to organize a permanent sit-in in front of the UN headquarters in the Jordanian capital."

Crown Prince Seeks British Aid, Discusses Talks

93AE0160B London AL-HAYAH in Arabic 28 Nov 92 p 6

[Article: "Prince Hasan Invites British Support for the Regional Development Fund Initiative"]

[Text] Jordan's Crown Prince Hasan Bin-Talal invited Britain and English-speaking countries to launch a collective initiative to deal with the Middle East and its problems. He also urged Britain to support the initiative proposed by the French delegation to the multilateral talks to create a regional development fund that would allow the region to move away from the climate of tension created by prolonged Arab-Israeli conflict to a state of peaceful coexistence.

His remarks came in a lecture he gave at London's Guild Hall the evening before yesterday at the invitation of the English-Speaking Association, which was commemorating former British Prime Minister Winston Churchill. Prince Hasan said that Churchill played a central role in developing British-Arab relations, which sometimes converged and sometimes diverged "without ever undermining the ties of friendship and understanding between the two parties."

The Jordanian crown prince pointed out the need to bring an end to the conflicts between Israel and the Palestinians and between it and the Arab countries and the need to arrive at regional arrangements to bypass the constraints that current restrictions impose on the region.

He emphasized that "focusing on the human mandate for peace and on the need to develop rather than destroy the human resource is apt to bring the Arab-Israeli conflict to an end."

He added that the purpose of negotiation "should be recognition of the other party's right to statehood." He said that "land for peace does not mean bartering peace for land. What it means is that returning the occupied territories to the Arabs is a condition for peace and for looking forward to a regional pattern of security and cooperation."

He said that despite attempts by international agencies, such as UNRWA [UN Relief and Works Agency], and by

British individuals and organizations to redress the wrongs and injustices inflicted upon the Palestinians, "the time has come to stop dealing with this and other world issues in the context of relief and deal with them in a manner that recasts refugees as citizens by restoring their missing rights and by safeguarding the wasted human resource."

He called upon European Community governments and institutions to work for the realization of those objectives alongside of local governments and institutions. He invited Britain and English-speaking countries to launch a collective initiative to deal with Middle Eastern problems.

He said that multilateral peace talks "represent a forum for the countries and peoples of the Middle Eastern region to devise tangible developments to elevate the concept of security, especially in view of the threat to the world by the proliferation of weapons of mass destruction in the region and by continuance of the system of economic protection."

He added that economic negotiations could highlight the incentives of peace and that nonproliferation negotiations could likewise bolster efforts to restore the confidence necessary for the security of the region.

He said that Jordanian participation in the peace process is rooted in the belief that any successful solution to the Arab-Israeli conflict must be based on a cohesive understanding of what he called "the development of the human resource." On a regional level, Prince Hasan pointed out that Jordanian participation is based on the fact that human cooperation on resources and security is the key to advancement and prosperity.

He expressed belief that regardless of whatever temporary arrangements may be made to end the Israeli occupation of the West Bank and the Gaza Strip, as well as Israeli control of Jerusalem, the need will continue for arrangements to deal with the human problems that face both Arabs and Jews and "whose solution may take years beyond politically agreed timetables."

Report Lists Amounts Rescheduled With Paris Club

93P40080A London AL-SHARQ AL-AWSAT in Arabic
17 Dec 92 p 9

[Text] Sources in the Jordanian Ministry of Finance have announced the rescheduling of all government loans with most of the Paris Club member nations, except for Japan and Finland, with whom they are currently discussing the schedule. The sources expect an agreement to be reached with Japan and Finland before the end of next month [January].

A Jordanian financial team had agreed with the concerned British offices to reschedule British export loans to Jordan totaling \$4,896,043. In Italy, it was agreed to reschedule export loans worth \$12,973,773, in addition to secondary loans totaling \$6,876,441 and 292,414,436 Italian Lira.

As for Spain, it rescheduled export loans worth \$2,898,003 and soft-term loans worth \$4,644,827.

Government financial sources explained that these sums represent 100 percent of [capital] payments and 50 percent of interest due as of 31 February 1991, 50 percent of the interest due having already been paid.

France To Loan 80 Million Francs

93AE0160E London AL-HAYAH in Arabic 26 Nov 92 p 11

[Report from Amman by Salah Hazin: "80 Million Francs for Jordan"]

[Text] Despite the political significance of French President Francois Mitterand's visit to Jordan tomorrow at the invitation of King Husayn, it seems that economic issues will be an important part of that short visit of no more than 24 hours.

AL-HAYAH learned that the most important outcome of this visit will be French aid to Jordan in the form of a 80-million-franc long-term concessionary loan.

French-Jordanian economic relations took off in the early 1960's and have expanded greatly over the past 30 years. France is now Jordan's fourth trading partner after Iraq, Germany, and the United States.

The French stance within the European Community [EC] was lauded by more than one Jordanian official. They credited it for Jordan's preferred position within the EC. Jordan has enjoyed such a position since 1977, when it signed an economic cooperation protocol that entitles it to the same treatment accorded EC members.

AL-HAYAH learned that the French position within the Paris Club [Group of 10], which includes Jordan's creditor nations, was a major factor in reaching agreement to reschedule Jordan's debt at concessionary rates. Another step that France took towards Jordan and its economic crisis in the period from 1988 to 1991 was its consent to cancel, without penalties, a \$1.7 billion contract with Jordan for the purchase of Mirage warplanes. That greatly relieved Jordan's indebtedness, which exceeded \$8 billion at the time.

France is also one of Jordan's principal creditor nations, after the United States and Japan, and has given Jordan ample opportunity to benefit from financial aid protocols, to the extent of 1 billion francs. French aid in the aftermath of the Gulf war was in the form of more than 220 million francs in support of Jordan's balance of payments.

Jordan currently hosts some 500 commercial agents for French companies, as well as representative offices of 18 French companies active in various fields, including three banks and two insurance companies.

IMYO Case Seen as National Power Battle

93AE0154A London AL-SHARQ AL-AWSAT in Arabic
23 Nov 92 p 2

[Article: "Continuing Aftermath of IMYO Trial: Conflict Flares Between Power Centers; Government To Remain Until Next Elections"]

[Text] Amman (Center for Political Studies)—The case of Jordanian member of parliament Layth Shubaylat has ended, in legal terms, but it has opened wide the door to an early political and parliamentary battle among traditional power centers in Jordan. These power centers are divided among two former prime ministers (Zayd al-Rifa'i and Mudar Badran) and a third current that has begun to gather around former Prime Minister Tahir al-Masri.

Before talking about these two questions, it should be noted that the Islamic Mobilization Youth Organization (IMYO) case, with its results and consequences, may have strengthened Deputy Layth Shubaylat's influence and popularity, which are now greater than before.

Al-Shakirji-Gate

As happens with major international cases, the proceedings in the IMYO case have exposed an issue of utmost seriousness and delicacy that continues to react on a wide front in Jordan. One could call it the al-Shakirji Gate affair. A document about the affair is being distributed now in all Jordanian cities and villages. Some local newspapers have referred to the document without publishing its content in full.

The document, which is several pages long, consists of a deposition by the person in question, an Iraqi named 'Ali al-Shakirji, who lives in Germany and has had German citizenship for several years. He states that he was lured to Amman at the height of the Layth Shubaylat-IMYO trial and compelled to deliver false testimony after being provided with a false name and a passport other than his own.

According to the story of Jordanian lawyer Ibrahim Bakr, who headed the defense team for Layth Shubaylat, this 'Ali al-Shakirji obtained his telephone number from the Jordanian newspaper AL-DUSTUR by telephoning from Germany. Al-Shakirji then called him and told him that the deposition he had given in the state security court that tried the IMYO group was false and that he had been compelled to give it under threat of being turned over to Iraqi authorities. (Al-Shakirji is considered a leading figure of the overseas opposition to Iraqi President Saddam Husayn.)

Bakr said that 'Ali al-Shakirji told him that he had been lured to Jordan under pressure of a certain case having to do with one of his friends. While there, he had been forced to make a previously prepared deposition saying that he (giving his name as Yasin Ramadan al-Yasin, of Syrian nationality) had carried \$200,000 from the Iranian president's office to Layth Shubaylat in Jordan as

part of preparation for a coup by the aforesaid organization against the Jordanian regime and constitution.

According to lawyer Ibrahim Bakr's story and the document that al-Shakirji signed and that is being widely distributed now in Jordan, al-Shakirji said that he had no choice but to agree to what he was being forced to do. He delivered the testimony that was dictated to him because he feared he would be turned over to the Iraqi authorities. However, he soon felt pangs of conscience and decided to tell everything. He went to a German notary, delivered before him the testimony that has become the said document, and faxed it to the wife of Layth Shubaylat, who is still in Suwaqah Prison, south of the Jordanian capital, Amman.

While Jordanian security sources deny the story and insist that the document is fabricated and unauthentic, sources close to Deputy Layth Shubaylat say that they consulted Jordanian Airlines and found the name of 'Ali al-Shakirji on the list of passengers who flew from Germany to Jordan via Austria on the very date specified by the document attributed to this Iraqi with German citizenship.

To further complicate matters, the investigations by these sources showed that Yasin Ramadan al-Yasin, who gave his name to the man named 'Ali al-Shakirji, is of Syrian origin and is serving a prison term of several months at al-Karak prison about 150 km south of Amman on the charge of falsifying a check for insufficient funds.

Some Jordan circles fear that the case of al-Yasin, who is Syrian and holds Syrian citizenship, may turn into a crisis between Syria and Jordan. They express the belief that al-Yasin may turn to the courts after he returns to his country and that he may summon al-Shakirji as a corroborating witness, since the latter still holds some documents that prove his story.

Government To Remain

In any event, many circles in Amman believe that the document, which has stirred up what Jordanians are calling the "al-Shakirji-gate case," was and is being distributed by quarters representing one of the power centers in Jordan and that these quarters are trying by means of the document to influence the government of current Jordanian Prime Minister al-Sharif Zayd Bin-Shakir.

There have been widespread rumors in recent days that King Husayn, who was disturbed by the IMYO case from beginning to end, may have recourse to changing the government of current Prime Minister al-Sharif Bin-Shakir or may undertake a major reorganization of it affecting at least 18 ministers. However, responsible, informed sources have denied the possibility, saying that

the present government will remain unchanged until after the next parliamentary elections, scheduled for next October.

King Husayn is known not to be subject to immediate reactions or to make decisions and take stands under the pressure of sudden developments. Observers have noted that he deliberately has been taking his prime minister along with him on national occasions and that he has given medals of appreciation to all the judges, assistant judges, and public prosecutors who participated in the IMYO trial.

3 Conflicting Currents

Following the issuance of a general pardon, the conviction has taken hold that the charge against Layth Shubaylat in his case was one of the areas and arenas of conflict between two main political power centers in Jordan—one represented by former Prime Minister Zayd al-Rifa'i, the other by Mudar Badran (also a former prime minister). The Jordanian street therefore immediately begun to talk about an intensification of the conflict between these two centers and about the emergence of a third center, represented by former Prime Minister Tahir al-Masri. The first current includes, in addition to Zayd al-Rifa'i, who was removed from leadership of the Jordanian Government in the wake of the events of April 1989, a number of former ministers and prime ministers. It also includes a number of rising parties that call themselves "the middle parties." (The other two currents, the religious current whose backbone is the Muslim Brotherhood and the leftist-nationalist current led by the Jordanian Democratic National Arab Grouping and the regional parties, call them the parties of the state.)

The second current is represented by Mudar Badran, who relinquished his positions of responsibility on the eve of the Madrid conference devoted to efforts to find a solution to the Middle East problem. In fact, this current is composed mainly of the Muslim Brotherhood and a few other Islamic figures, including Layth Shubaylat and his colleague Ya'qub Qirrish.

The third current, a growing one, is trying to coalesce around former Prime Minister Tahir al-Masri, who is considered close to nationalist and leftist figures and to the PLO. The latest information is that al-Masri is trying to form his own party, relying on a number of Jordanian figures who participated in previous nationalist and leftist parties and organizations. Although some claim that this third current may win significant victories in the next parliamentary elections, particularly if it can overcome its serious internal crisis over a stand on the current peace process, others say that Zayd al-Rifa'i's group has no hope of returning to Jordanian political life in the near future and that the majority of deputies in the new parliament may continue to belong to the Islamic currents.

Official Applauds Independent Publishing System

93AE0154B Amman AL-DUSTUR in Arabic
9 Nov 92 p 12

[Article by Ahmad Shakir: "Recent Change Is Achievement by Information Minister To Raise Productivity"]

[Excerpt] Mr. 'Isa al-Jahmani, director of the Press and Publications Department, called the system of the newly amended Information Ministry ordinance, which went into effect at the beginning of the current month, a splendid achievement on the part of Professor Mahmud al-Sharif, the minister of information, to raise the productivity level in the performance and conduct of work in so important a department as publications. In an interview with an AL-DUSTUR reporter, al-Jahmani said that the step of amending the ordinance was aimed at implementing decentralization. He described the decree of 27 March 1988, which divided the publications department and abolished its independence, as having led to a decline in productivity level and the scattering of department employees. Al-Jahmani stated that the 1992 publications and publishing bill, which parliament will finish debating in its coming session, is one of the important major laws that deal with the printed word and basic freedoms in the country in light of the democratic climate that the government of al-Sharif Bin-Shakir is providing. The interview with Professor al-Jahmani took place on the occasion of the introduction of Ordinance 47/1992, which the Cabinet approved on 6 October 1992 on the recommendation of the minister of information and which received the royal assent and went into effect from its date of publication in the official gazette at the beginning of this month. Under the ordinance, the publications department becomes an independent department linked to the minister of information. [passage omitted]

Study Gives Demographics for Unemployment Figures

93AE0160A Amman AL-DUSTUR in Arabic
17 Nov 92 p 10

[Article: "68 Percent of the Unemployed Are in the 20-29 Age Bracket"]

[Text] A study by the Center for International Studies of the Royal Scientific Academy put the number of unemployed Jordanians last year at 128,000, or 18.8 percent of the work force.

The study revealed that the Amman Governorate accounted for 46.4 percent of all unemployed and that 68.2 of those out of work fell in the 20-29 age bracket.

The study added that of those unemployed, 61.9 percent of both males and females were unmarried, while males accounted for 72 percent of the unemployed who are married. The inference is that because males are responsible for supporting their families, they look for work more diligently than married females.

The study showed that graduates of community colleges, at 32.7 percent, were the largest unemployed group, compared with only 14.6 percent for university graduates.

It also revealed that 74 percent of the unemployed received help from their families and that some of them resorted to selling their wives' gold jewelry, their cars, or even their homes.

The study attributed unemployment to the Gulf crisis and its impact, the return of expatriate workers, the slowdown of economic growth, and declining demand abroad for Jordanian labor.

The study expects surplus labor to be at 13.4 percent, or 185,000 workers, next year and forecasts that unemployment will rise gradually to about 15.2 percent by 1995.

The study surveyed 12,870 families in 93 residential communities in Jordan. It was conducted by a team of specialists led by Dr. Muhammad Sa'id 'Amirah.

Subsidized by Germany's Frederick Ebert Organization, the study was published in a 170-page volume.

Deputies Want Corruption Exempted From Amnesty

93AE0160C London AL-HAYAH in Arabic
27 Nov 92 p 7

[Report from Amman by Salamah Ni'mat: "Jordanian Deputies Propose To Amend General Amnesty Act"]

[Text] Jordanian parliament sources said yesterday that a number of deputies have indicated that they will propose an amendment to the General Amnesty Act. The amendment would seek to exclude government corruption cases now pending before the House of Representatives from the general amnesty proclaimed on 11 November by Jordan's King Husayn on the occasion of his birthday. More than a thousand convicts and prisoners regained their freedom as a result of the amnesty.

The legislature's Inquiry Committee had supposed that the general amnesty as proclaimed by King Husayn also covered the corruption cases pending before it. The committee was preparing to indict a number of officials in three separate cases.

Deputy Husayn Majali, who is a member of the committee, said the day before yesterday that the committee had also determined that the amnesty would likewise cover the cases it was considering and that it would make a recommendation to the House as it begins its fourth session next Tuesday, following its annual leave. Corruption cases currently before the committee involve housing projects and supplies.

Incidentally, the amnesty resulted in the release of Islamic deputies Ya'qub Qirrish and Layth Shubaylat two days after both were sentenced to prison for 20 years on charges of conspiring with Iran to overthrow the Jordanian regime.

The General Amnesty Act, which specifically excluded cases involving the theft of public funds, espionage, rape, and drug trafficking, will come up for review before the House's upcoming session in preparation for ratification or amendment.

Observers Expect Heated Parliamentary Session

93AE0160C London AL-HAYAH in Arabic
1 Dec 92 p 6

[Report from Amman by Salamah Ni'mat: "Political Observers Forecast a Heated New Parliamentary Session"]

[Text] Jordan's King Husayn today inaugurates the fourth regular session of the House of Representatives and will give a speech that delineates Jordan's economic and political policies amid expectations of confrontations between the parliament and the government over the peace talks, the general budget, and the government's posture toward the Islamic movement.

Once the session is under way, the House will elect a speaker from among three candidates representing the Islamic movement (the Muslim Brotherhood), the Constitutional Bloc, and independents. Parliamentary sources expect Brotherhood candidate Dr. 'Abd-al-Latif 'Arabiyyat to be reelected as speaker for the third consecutive time.

Political observers expect this fourth and last session of the House to be more heated because most of the current deputies have already begun their electoral campaigns in preparation for general elections to be held late next summer.

A Constitutional Bloc deputy told AL-HAYAH that he expects the Islamic movement to escalate its rhetoric against the government over the peace process, especially after it was announced that Jordanian and Israeli delegations have reached preliminary agreement on the agenda of their bi-lateral talks in Washington. He also asserted that the Brotherhood bloc will oppose a number of items in the 1993 draft budget, which the government is scheduled to submit to the House this session for review and ratification.

A spokesman for the Islamic movement said that differences of opinion between the Brotherhood and the government are "part and parcel of the democratic process" and that those differences "should in no way undermine the relationship between the executive branch and the legislature."

He added that "differences of opinion strengthen the process of democratic change and bolsters national unity through the venerable concept of plurality."

Worth mentioning is that King Husayn warned the Islamic movement in a speech last week that the state will not allow anyone to undermine Jordan's role in the peace process in which the decision to participate was adopted only after a national conference that reflected national democratic consensus.

In other developments, official sources emphasized that the government has not yet made a decision to approve the agenda for negotiations with Israel. The agenda had been amended and returned to the Israeli delegation for discussion and response at the upcoming session of 7 December.

Parliamentary sources emphasized that Deputies Layth Shubaylat and Ya'qub Qirrish, released from prison under the royal general amnesty decree of 12 November, will attend today's session to sit next to other members of the Chamber. The State Security Court had indicted the two deputies for conspiring with Iran to overthrow the government and sentenced them to prison for 20 years.

Parliamentary sources did not think it unlikely that a number of deputies would raise an argument over the procedures of the military court that tried the two deputies and may even challenge the constitutionality of the court itself.

The publications and publishing draft law is also expected to be reviewed by the House this session.

Creditors Expect No Agreement Until 1994

93AE0133A London AL-HAYAH in Arabic
17 Nov 92 p 11

[Text] Bankers who are directly concerned with the problem of Jordan's trade deficit said that they have failed to convince most creditor banks to sanction Jordanian Finance Minister Basil Jarrah's conditions. They do not expect the two sides to reach any rescheduling agreement "in the next 12 months."

These bankers, with whom AL-HAYAH met in London, added that the steering committee for the approximately \$1.4 billion Jordanian trade debt has become convinced that Jordan's current strategy is "to be content to pay 40 percent of the interest owed every six months and add the remainder to the arrears."

Since March 1991, the interest in arrears on Jordan's trade debt is nearly \$160 million. In August 1992, Amman paid \$107 million of the arrears owed before that date.

The members of the steering committee, which represents the interests of 150 creditor banks around the world, are UBAF [Union of Arab and French Banks], the Kuwaiti Trade Bank, the French National Bank, and the American bank Manufacturers Hanover. The committee is chaired by both the British bank Standard Chartered and the International Gulf Bank.

A high-level source on the committee told AL-HAYAH that Standard Chartered was preparing to withdraw from the committee and that a search was currently being conducted for a replacement from among Western banks. However, this source refused to comment on the motives behind the intention to withdraw, or on the extent of the withdrawal's connection with the failure of the negotiations with Jordan, which have been under way for more than three years.

The present dispute between Amman and the commercial banks centers around the Jordanian negotiators' stipulation, which would obligate the banks—in advance—to convert a minimum of 50 percent of the debt to discounted bonds. This is one alternative, customary in "a Brady type" rescheduling, that the Jordanian side requested.

AL-HAYAH has learned that the agreement in principle between the two sides, prior to the collapse of their negotiations, was based on the Argentine model, in which the banks choose between converting the debt into bonds corresponding to the book value of the debt over a period of 30 years, with gradually increasing interest, from 4 percent in the first year, stabilizing to 6 percent between the 7th and 30th years. The other option is to convert the debt into bonds discounted by 35 percent over 30 years, with an interest rate of 13/16ths of a point over the creditor banks' interest rate on the dollar.

Jordan's commercial creditors, in this recent stage of negotiations, had agreed to use the largest discount in the second option (40 percent), while the Jordanian finance minister had retreated from the demand to convert the interest in arrears into bonds as well.

The Argentine formula assumes the banks will be content with only 9 percent of the interest in arrears being paid in cash, while the remainder is rescheduled over 20 years at an average interest of 8 percent per annum.

The bankers had also agreed to negotiate with Jordan over their condition to allow Jordan to repurchase its debt in cash, at a discount that reflected its current market value, about 40 percent of its book value.

However, the dispute over the discounted bonds ended the negotiations. The bankers rejected the Jordanian stipulation because, first, "it forms a precedent in the history of banking rescheduling," and because most of the banks usually lean toward bonds that correspond to the book value, in order to avoid taking precautions with regard to their profits on the discounted portion in the second option.

Finally, bankers point to the fact that they basically agreed to a "precedent" when they began to use a "Brady formula" (a reference to the former American treasury secretary) in their negotiations with Amman, because Jordan has only just now been classified by the World Bank as a "Brady country," i.e., one of the low-income nations.

Deposits Up for First Half of FY 1992

93AE0133B London AL-SHARQ AL-AWSAT in Arabic
17 Nov 92 p 9

[Article: "Increase in Deposits Turns Into Burden on Jordanian Banks"]

[Text] The balance sheets for the banks in Jordan for the first six months of the current 1992 fiscal year showed a significant increase in assets and net profits compared with these banks' 1991 performance. Banking experts expect that the Jordanian banks' final statements for 1992 will show profit levels certainly rising over last fiscal year's achievements.

The director of the Arab Bank's Office of Finance and Investment, Mufallah 'Aql, said that the banks' performance during fiscal year 1991 was marked by considerable growth in assets, especially because of an increase in local and foreign deposits. He explained that with regard to profit, however, the banks have maintained profit levels of the previous fiscal year. He attributed the reason for that to the inability of these banks to make suitable investments with this considerable increase in deposits.

In a study of Jordanian banks' fiscal results, he added that bank assets at the end of fiscal year 1991 totaled 4.9 billion Jordanian dinars. The Arab Bank occupied first place in volume of deposits, with 36.01 percent of the total bank deposits in Jordan. It was followed by the Home Bank, which reported assets of 824.3 million dinars, some 16.67 percent of total assets.

KUWAIT

Amount of Investment Abroad Scrutinized

93AE0122A London AL-HAYAH in Arabic
24 Oct 92 p 13

[Article: "Kuwaiti Assembly Asks Government About Actual Volume of Investments Abroad"]

[Text] The weekly economic report by the Kuwaiti office of AL-SHAL mentioned that one of the new members of the Kuwaiti Assembly formally requested an explanation from the government about the situation of the investments abroad in order to learn the true volume of these investments.

The following is the text of the report:

Kuwait Stock Exchange

Even though the number of registered companies is still 30, dealings in the stock market included 21 companies, compared with 18 last week. The base of the temporary indicator widened to include the 21 companies that saw action, while the basis of comparison of the temporary indicator remained the prices of the same companies as 1 August 1990, with the one exception, as mentioned last week. The general temporary indicator rose to 108.3

points, which means further increases in the nominal value of the companies, compared with their value on 1 August 1990. Twelve companies registered increase in their value since the invasion, while eight companies registered a decrease in their values.

The market is still active, with some changes in the dealers' preferences. It is still difficult to explain this phenomenon further other than what we mentioned regarding the seminar on locally available investment opportunities. It could be the feeling of political stability resulting from new elections. We do not expect a radical change in the government's policy toward the market because the minister of finance has not changed and because of the stability of the financial situation. This is in spite of changing the minister of trade and commerce and the chairman of the Kuwaiti Stock Exchange.

The total number of shares circulated is 42.31 million, with a daily average of 8.46 million shares. This is an increase of about 63 percent over the average of the previous week. The total value of the shares circulated is about 16.8 million dinars, with a daily average of 3.36 million dinars, registering an increase of about 83 percent of last week's average. Changes occurred in the banking sector's supply. Its percentage decreased to about 39.61 percent of the total quantity circulated, with an increase to 78.55 percent of the value, compared with 5.87 percent of the total value and 76.94 percent of the value of last week's performance. The National Bank of Kuwait registered about 29.94 percent of this amount and 75.35 percent of the total value circulated. Its share of the value of circulated shares decreased to 58.56 percent last week.

The democratic institutions of the country's new administration, including the first parliamentary session and the election of the Assembly's bureaus and committees, began the new, 16-member cabinet was established. There is no doubt that the administration had witnessed a radical change. About 37.5 percent of new cabinet represent different political powers, but the secretariat of the parliament is virtually unchanged from that of 1985. This arrangement could bridge the gap between the opinions of the two sides and may enable the government to submit to the parliament less controversial issues after they are discussed by representatives of the different political powers within the government. This possible homogeneity may lead to enhancing the political stability that is required for all stages and that is also a basic prerequisite for better economic performance.

The government economic team did not undergo any radical changes and still lacks the technological dimension. The same still applies to the Central Bank. Even the parliament itself lacks the specialists in economic affairs. One of the very few specialists did not make it to the financial and economic committee. This leads us to believe that there will be no change in the performance of either team other than the basic changes that are required because of different pressures most important of which is the real financial deficit that could, in time,

change into a constant and far reaching deficit unless it is dealt with appropriately and quickly. One of the possible big expenses would be the military, where no radical change is expected unless external elements affect it.

There are indications that all of the economic issues shall be discussed and both sides will seek the advice of the specialists to form a clear vision based on true information about the future possibilities. According to our information, a question was submitted about the situation of the investment abroad to know their true volume. Following a sound evaluation, it would be possible to know the expected revenues, volume of national debt, and the amount needed to service them and the other sources of public expenditure in order to bring the financial situation under control.

According to our information, there is more than one political source attempting to set up voluntary groups to set guidelines for economic policies.

The Central Bank published its instructions on settling the liabilities that the government bought from the financial sector. The total amount of debts bought by the government from the Kuwait National Bank, Bank Birqaan, the Kuwait and Middle East Bank, the Commercial Bank, and the Real Estate Bank, which publish their statements, amounts to about 2.925 billion dinars. This number could go as high as 3.5 billion dinars after the portfolio of the Kuwait Financing House is added. The remaining institutions, the National Bank, the Gulf Bank and the three investment companies, could raise the total amount to be purchased to as high as 5.6 billion dinars.

Decree No. 32-92 gives the Central Bank broad freedom in issues such as accepting the financial positions and setting the rescheduling terms and interest rates. The decree also stipulates that financial statements should be submitted by the end of November.

The new rules are acceptable, provided that the Central Bank shows a great deal of impartiality and administrative efficiency in implementing the old program of the debts issued 13 August 1986. It has not yet done so. There is real concern that there might be favoritism due to the composition of the list of debtors. There are also concerns about administrative inefficiency, because the banks do not yet understand the requirements of the Central Bank and because they are unmotivated. The debtors do not understand how to fill out the form and what terms are to be applied.

The integration program that is among the top priorities of the central bank after the liberation is facing many problems. It has not yielded any concrete results regarding the banks, the insurance companies, or the investment companies. In short, Kuwait's Central Bank has not achieved any of its objectives other than considering all the debts of the banks and the major investment companies as bad debts and issuing bonds to buy them,

which is a very controversial decision with political implications. This means that the structure of the bank has to be reconsidered.

The financial statements of the Real Estate Bank became available as of 31 December 1991. The government is a shareholder in this bank, but does not have the majority of stocks. It had a surplus until just before the invasion. The bank held its general assembly on 19 December 1992 and elected six board members, while the government appointed two board members.

Like other banks, the Real Estate Bank had to liquidate about 87 million dinars of its deposits at other banks and financial institutions. It also had to liquidate about 26 million dinars, which constitutes most of its treasury bonds, to face the liquidity problem it had during and immediately after the occupation. As a result of these actions, its total assets decreased by about 25 percent. The decrease in the assets of the Kuwait National Bank was 23 percent, 34 percent for the Birqaan Bank, 16 percent for the Kuwait and Middle East Bank, and 29 percent for the Commercial Bank. Government assets increased to about 333 million dinars, from only 33 million dinars in 1989, amounting to about 84 percent of its assets. The Kuwait National Bank accounted for 40 percent of the assets; Birqaan Bank, 69 percent; the Kuwait and Middle East Bank, 72 percent; and the Commercial Bank, 70 percent.

As for the liabilities, the deposits of the banks and financial institutions decreased by about 100 million dinars, while the dividends decreased by about 13 percent. This decrease and the increase in the number of shares resulting from distributing additional shares in 1989 decreased the nominal share value from 292 fils on 31 December 1989 to 237 fils, a decrease of about 19 percent.

The government issued bonds against the purchase of a debt portfolio totaling 326 million dinars. These bonds are the smallest due to the small volume and specialization of the bank. The bank's profits totaled 17.2 million dinars, but its losses from unusual items reached 27.8 million dinars, which resulted in about 10.5 million in losses from the reserve.

SAUDI ARABIA

Posuvalyuk on Relations With Arab Countries

93AE0121A Jeddah 'UKAZ in Arabic 10 Nov 92 pp 1, 5

[Article by Bassam Kamal: "New Formula for Russian-Arab Relations"]

[Text] The chief of the Middle East and African Bureau in the Russian Foreign Ministry, Victor Posuvalyuk, in a special statement to 'UKAZ, emphasized that Saudi-Russian relations are developing in a dynamic, ascending fashion. He pointed out that the conclusion of the Cold War, changes in international relations, and

Russia's establishment of democracy require crystallization of an appropriate foreign policy with the Arab nations, which would link Russia to them in sincere, firm relations. In addition, there must be effective cooperation with the Arab nations to find solutions to the economic difficulties in the new Russia. He invited Arab capital to enter the investment arena of the Russian economy.

Posuvalyuk pointed out that his country was deeply concerned with bringing peace and stability to the Middle East. He said: "We are determined to continue serious support for the peace process and to use our full resources to reach an historic settlement between the Arabs and Israel."

Posuvalyuk indicated that Russia was opposed to destructive actions like the Iran-Iraq War and the Iraqi aggression against Kuwait. He emphasized that Russia resolutely condemns international terrorism, which contributes to creating a climate that forms a direct danger to the international community.

In his statement to 'UKAZ at the end of a press conference that was held especially to discuss the principles of formulating foreign policy to deal with the Arab nations, Posuvalyuk said that "this is an extremely important matter for us."

Posuvalyuk pointed out that the end of the Cold War, changes in international relations, and Russia's establishing democracy required crystallizing an appropriate foreign policy vis-a-vis the Arab nations, which will bind Russia to them by firm, traditional relations.

He made it clear that Russian President Boris Yeltsin supported proposals to crystallize this foreign policy in consultation with the Parliament's Foreign Relations Committee, concerned organizations, academicians, and orientalists. In this way, these proposals have gained a legal and political form for dealing with the Arab nations.

Posuvalyuk added that the crystallization of Russian foreign policy begins with concepts of the strategic and geopolitical importance of the Middle East and its proximity to Russia's southern borders, in addition to the importance of its oil reserves and its nations' role in maintaining world balance in the energy field.

Posuvalyuk indicated that the main goals of Russian policy vis-a-vis this region were aimed at guaranteeing Russian security and preventing the outbreak of political or military disputes, which could throw their shadows over the tense situation in the Caucasus and Central Asia. In addition, there must be effective cooperation with the important Arab nations to find solutions to the difficulties of the new Russian economy. He pointed out that a review of these matters constitutes convincing proof of Russia's deep concern to bring about peace and stability in the Middle East.

Posuvalyuk said: "We are determined to continue serious support for the peace process in the Middle East and to use our full resources to reach an historic settlement between the Arabs and Israel."

He went on to say that, at the same time, Russia was strongly opposed to destructive actions, such as the Iran-Iraq War and the Iraqi attack on Kuwait. He stressed that Russia condemns international terrorism, which contributes to a climate of tension that is a danger to the international community and to Russia. He said that the massive flow of arms to the Middle East is forcing the international community to form international agreements and treaties and to take coordinated steps that will contribute to lessening the intensity of confrontations in the region. However, this does not mean that "Russia has decided to stop military and technological cooperation with the Arabs." He added: "We will strictly observe our previous and subsequent commitments, along with observing our firm desire to end the arms race in the region."

Posuvalyuk said that the new situation imposes the task of reviewing existing relations with the Arab world and crystallizing those relations on the basis of the new realities. In addition, it is necessary to abandon political and ideological beliefs and build relationships on the basis of beneficial participation of both parties.

The high-level Russian official expressed satisfaction with the dynamic development of relations with the Gulf states. He said that Russia will develop relations with the Arab nations that will bind them together with sincere relations for many years. He went on to say that Russian confidence concerning principles of relations with the Arab world highlights the importance of economic cooperation with these nations and of putting bilateral connections on a foundation of mutual advantage. He stressed the need to bolster economic relations among private production and economic organizations, apart from relations on the state level.

Posuvalyuk invited Arab capital to enter the investment arena in the Russian economy.

Posuvalyuk paused at what he described as the "Islamic factor in Russian foreign policy," saying that, ultimately, it must be liberated from the effects of the Cold War. He emphasized that Moscow respects the spiritual expression of peoples and their interaction on the religious level, and understands the efforts of the Islamic Conference Organization to spread the principles of Islam. He stressed that the Russia used the need to respect the interests of the peoples living in the Middle East, and the interests of the international community and the great powers, as a point of departure. At the same time, protection of Russian interests there must be respected.

In the course of answering 'UKAZ's questions about the negotiation process in the Middle East, Posuvalyuk indicated that Moscow perceives new elements in Israeli proposals, stemming from the coming to power of Yitzhaq Rabin's government. He said that despite the

development of the negotiation process, "it is not proceeding in accordance with our assurances as heads of the peace conference. However, the seventh round of negotiations reflected changes in the Israeli position, not only on the media level, but also in procedural steps. All of this has a positive impact on the course of Israeli discussions. We want rapid progress to occur in the negotiations, but we understand the size of the heavy legacy, left behind by scores of years of conflict."

Posuvalyuk praised the Palestinian position supporting positive participation in, and the continuation of, the negotiating process. The Russian official emphasized to 'UKAZ that Russia stresses the need to adhere to UN Security Council Resolution 242, as a basis for settling the process of withdrawal from Arab territory, and the need for negotiating parties to resolve their issues at dispute.

SUDAN

Export Policy Blamed For Staple Shortage

93AF0187A London AL-HAYAH in Arabic
14 Nov 92 p 12

[Text] There are increasing indications that the economic policies of the Sudanese Government of Lieutenant General 'Umar Hasan al-Bashir faces obstacles that threaten its collapse and bode of grave political consequences.

AL-HAYAH learned that the Sudanese regime's diplomatic isolation is presently threatening a collapse in markets for basic crops. Prices of the latter have declined sharply, causing panic among farmers.

Major produce merchants in Khartoum told AL-HAYAH that Sudan's strained relations with other nations have narrowed the list of world traders and firms that traditionally purchase Sudanese crops such as peanuts, sesame, and hibiscus flowers.

Despite improved weather conditions during the past two farming seasons and despite anticipated abundant crops this year, farm prices have been dangerously low for about two weeks. Dealers told AL-HAYAH that the price of a qantar of hibiscus, one of Sudan's two major annual crops, has dropped from about 8,000 Sudanese pounds to a mere 3,000. Sesame prices fell from 3,000 Sudanese pounds to 2,000 per qantar, and the price of a tin of cooking oil likewise dropped from 2,000 pounds to 1,200 pounds.

Sugar prices, on the other hand, climbed sky-high, causing serious shortages. A pound of sugar is currently sold in most parts of Sudan for about 50 Sudanese pounds. The median Sudanese monthly income, by comparison, is 1,500 Sudanese pounds for government employees and between 2,000 and 2,500 pounds for workers of private-sector companies.

Sudanese merchants said that the government has flung the doors open for sugar exports despite increased output in the past two seasons. This has resulted in severe shortages of the amounts usually made available for local consumption. Officials notified a number of merchants that the government will soon open the door to sugar imports. Economists warn that imported sugar will be more costly for ordinary consumers, especially because the Sudanese pound is extremely weak vis-a-vis the U.S. dollar.

The Sudanese Government said that the distribution of strategic food commodities has followed a strict supply policy that helped lower sugar consumption from 27 to 13 kg per capita annually. The government, meanwhile, has also made it possible for the citizens to purchase unlimited quantities of nonsubsidized sugar, causing per capita consumption to climb back to its normal levels in Sudan.

Sudanese merchants had reported an announcement by the regime that the Sudanese Central Bank would issue details on 15 October of a new credit policy that many hoped would allow them to open letters of credit and obtain bank financing. The central bank has so far issued nothing of the sort.

Meanwhile, arrivals from Khartoum said that bakeries are facing severe flour shortages and that the Sudanese regime has intimated that it will open the door to wheat and flour imports early in the new year. The government, on the other hand, said it has "thrown away the invoice for wheat and flour imports."

Minister of Health Faysal Madani Mukhtar, a member of the ruling junta, recently admitted to AL-HAYAH that the cessation of aid Sudan used to receive from international funding agencies has caused shortages of medicine in the country.

Sudanese economic analysts believe that sharp, government-sanctioned criticism of the economic policies of Finance Minister 'Abd-al-Rahim Hamdi indicates serious government dissension over the current economic strategy.

There are unconfirmed reports that al-Bashir gave Minister Hamdi a deadline to prove that his strategy is beneficial to ordinary consumers. Hamdi, however, is quite influential with the Islamists who control the regime with the help of their military supporters. Relations are not likely to be strained between the Ministry of Finance and the Republican Palace (residence of the president).

Leaders of the National Islamic Front, which is allied with the regime, refuse to offer Minister Hamdi as a sacrificial lamb for the economy's problems. They contend that Hamdi merely administers strategies and that he is not the sole policymaker. Policy-making is the function of secret front committees charged with the planning, discussion, and crystallization of policies.

before they are submitted to the Front's supreme leadership for approval and presentation to the council of ministers.

Hamdi believes that sticking with his economic program to the end, despite difficulties and crises, is the only real option for the Sudanese economy. Opponents of the regime, however, believe that managing the economy in isolation and without foreign diplomatic relief is merely "butting one's head against the wall." They underscore pressing needs for the transfer of technology into Sudan and for making available the means of agricultural and industrial production, both of which mandate foreign relations unmarred by tension.

Merchants protest government tax policies, which they claim are mired in "complexities and based on pressure." They point out that lately they have been required to collect a percentage of their customers' trading profit taxes, a chore that has ordinarily reserved for the state. The government also sometimes forces them to pay profit taxes on mercantile activities that are not yet consummated. This means that a seller is mandated to collect taxes of 2 percent from a buyer "even before the merchandise is loaded on his trucks."

As for continued claims by merchants that the state favors those merchants who belong to the National Islamic Front, Colonel Salah-al-Din Karar, member of the ruling military junta, told AL-HAYAH that he challenges anybody to make a complaint or present proof in that regard. Independent merchants explain, however, that Front merchants enjoy more liquidity than others and are therefore at the forefront of those who bid for tenders and for import deals, thereby appearing to be more active than the rest.

Sudan Air Scheduled for Privatization

93AF0187B London AL-HAYAH in Arabic
9 Nov 92 p 11

[Report from Khartoum by 'Abd-al-Rahim al-Amin: "Sudan Air To Become Corporation Capitalized at about \$500 million"]

[Text] Dr. Yasin al-Haj, managing director of Sudan Air, told AL-HAYAH that the airline was reinstated in the international airline clearinghouse after it settled debts of about \$8 million. Sudan Air left the international clearinghouse in 1987.

Dr. al-Haj denied that Sudan Air will be sold and said that it will become a corporation capitalized by \$500 million that will be contributed by the partners over time. He added that the first stage of that transformation will span three years, during which time the company will need \$150 million for necessary development outlays, such as purchasing 12 passenger and two cargo planes, as well as light aircraft; creating an airborne ambulance service; and establishing needed engineering facilities at the four major airports of Khartoum, Port

Sudan, Juba, and (Dankala). Airplane hangars and maintenance facilities also need to be built.

He added that plans for the new company envision linking Sudan internally and regionally. Flights will cover all of the country's cities at least six days a week. He said that the aircraft to be acquired include three Airbuses, five medium-range Boeing 737's, four small planes, and two cargo ships. He explained that promotion is continuing for the new company and that a number of firms, such as the African-Sudanese Companies, have already expressed interest in becoming partners.

Dr. al-Haj said that turning Sudan Air into a corporation would solve its funding problem even though the company has the resources to develop. He pointed out that Sudan Air differs from others in that it does not depend on tourism for its income, but strictly on economic activity. The company realized profits of about 70 million Sudanese pounds by the end of 1991, compared with 120 million pounds a year earlier. He attributed the decline in profits to increased expenditures for new projects and to the impact of the Gulf war in terms of reduced travel and higher insurance premiums.

He said that the company has recently leased an Airbus 310 from the Drexel-Lambert Bank at a cost of about \$3.6 million for four months. Eight of the company's crews received training on the Airbus in Jordan, and four more will begin training this month. Eight additional crews will be receiving light aircraft training in Malaysia.

He explained that the company's current 12-plane fleet, of which three planes are leased, consists of four Boeing 707s, two Airbuses, two Boeing 737's, a third Boeing 737 leased from a Gulf company, two Fokker 50's, and one Antonov 12.

Dr. al-Haj said that Sudan Air's current strategy involves expanding its domestic market share, increasing internal travel to 750,000 passengers, establishing local maintenance facilities in order to save \$10 million, and constructing an export warehouse facility at Khartoum Airport.

REPUBLIC OF YEMEN

Institutional Work Rules for Transition Published

93AE0167A London AL-SHARQ AL-AWSAT in Arabic
15 Nov 92 p 3

[Article: "Text of the Political Communique on the Constitutional Resolution"]

[Text] In observance of the Constitution, which calls for maintaining existing constitutional institutions until new ones are in place and operational; and

In spite of the availability of constitutional controls that govern the operations, relations, and competence of state agencies; and

In compliance with the tenets of supremacy of law, achieving the largest possible number of positives, accomplishing primary tasks, and bypassing the most obvious of manifestations; and

In order to enforce democratic practices and national harmony;

It had been resolved at the expanded consultative meeting that the Presidential Council is to meet, in the presence of the prime minister, with party leaders and heads of political organizations in order to exchange views, ascertain the viewpoints of parties and political organizations, identify the primary tasks to be placed in the forefront and given priority, and define the controls that shall be observed, as follows:

First: Focus on the primary objectives of the political, social, administrative, and economic reform program, in general, and especially on the following tasks:

- Bolstering stability and security by arresting and putting on trial those who disturb the people's peace and the nation's security.
- Instituting administrative discipline and practicing the concept of reward and punishment.
- Focusing on improving the people's quality of life and on the continued availability of necessities. Controlling prices and punish violators.
- Regulating currency exchange operations and arresting speculators.
- Completing basic legislation and ensuring effective application of existing laws and regulations.
- Maintaining the reconstruction of the armed forces and the security forces to ensure their impartiality in the service of security and stability. Laying the foundation for those institutions to play their role in defending the sovereignty of the nation and safeguarding the security and stability of the people and of the fatherland.
- Settling, containing, and ending the legacy of political conflicts that surfaced as a result of measures to enforce the victory of the republican regime and the September and October revolutions.

Second: The following controls are to be observed:

In order to enforce the tenet of the supremacy of law and ensure the integrity of state apparatus and the stability of the administrative system; and

In order to ensure equal opportunity among individuals, parties and political organizations; and

In order to create the democratic climates and atmospheres conducive to holding general elections, ensuring their integrity, and giving free expression to the will of the voters; and

In order to ward off negative exploitation of public office and of information media;

The following controls shall be observed:

- Fair treatment of parties and political organizations by observing Party and Political Organization Law provisions, and especially those dealing with stipulated rights.
- The Party and the Assembly are not to use information media to announce partisan meetings. Supreme Leadership meetings are excepted.
- Guaranteeing equality among all parties and political organizations in the use of official information media for electioneering.
- Rationalizing the utilization of public funds and expenditures on approved development, service, and economic projects. Limiting public spending to what is necessary within the budgetary framework.
- Ceasing to divest, free of charge, of state property and real estate until relevant regulations are issued in accordance with the constitution.
- Adopting severe measures against those convicted of abusing public office for personal or partisan purposes.
- Freezing promotions and new appointments except as stipulated by law for military and civilian graduates.
- Bolstering national unity and everyone's efforts to avoid anything that would undermine it, and especially:
- Avoiding irresponsible media diatribes and requiring all civilian papers and party publications to deal with issues in a responsible patriotic manner in order to elevate the democratic process, serve national unity, and create an appropriate electoral climate. Also to abstain from calling for strikes or [condone] engaging in them at this point in time in order to safeguard work purity and security.

IRAN

Trade Relations Broadened With Cyprus

93AS0315D Tehran TEHRAN TIMES in English
5 Dec 92 p 3

[Text] In the letter of understanding the two countries have stressed their willingness to promote mutual relations and encourage entrepreneurs in each country to make investments in the other. Iran and Cyprus also agreed to establish business Bureaus in the other country, and identify common grounds for possible joint ventures.

On Tuesday the visiting Iranian minister also met with the Cypriot President George Vassiliu in Nicosia during which the latter voiced the interest of his government to broaden relations with Iran especially in the area of economy and trade.

Vahhaji called on the Cypriot president to offer support to Muslims in Bosnia-Herzegovina.

Later Tuesday the Iranian minister met with the Cypriot Foreign Minister George Iacovou and both sides stressed the determination of their respective governments to broaden ties with the other side.

On the same day, Vahhaji also held talks with his Cypriot counterpart Takis Nemitsas and reviewed the ways and means for furthering economic and trade relations between Iran and Cyprus.

The Cypriot commerce minister called for joint investments in business enterprises in the two countries, and proposed that common grounds for that purpose be studied.

In 1990 Cyprus exported as much as \$396,000 worth of products to Iran which rose to about \$2.2 million in 1991. This year exports by Cyprus to Iran are expected to total about \$4.4 million against imports from Iran of about \$2.6 million.

Cyprus exports mainly paints and plastics to Iran and buys various products including pistachio, hand-woven carpets and tobacco from Iran.

Fisheries Cooperation Discussed With Saudi Arabia

93AS0315C Tehran TEHRAN TIMES in English
5 Dec 92 p 3

[Text] Bandar Anzali, Gilan Province (IRNA)—Director General of Saudi Arabian Fisheries Nasser Othman al-Saleh accompanied by Iran's Deputy Agriculture Minister Saeed Fayyaz inspected fisheries installations at the Caspian port of Bandar Anzali on Wednesday.

Al-Saleh said that Iran and Saudi Arabia are studying the grounds for fisheries cooperation, and hoped that progress will be made in this regard in view of Iran's potentials.

He said annually 50,000 tons of fish are caught by Saudi Arabia in the Persian Gulf and Red Sea waters.

Fisheries is a new venture in Saudi Arabia, and all fishing equipment and trawlers are purchased from abroad, he added.

Al-Saleh is currently here to participate in the seventh meeting of the Committee on Development and Management of Marine Life Resources in the Persian Gulf and the Gulf of Oman.

Cooperation With Austrian Petrochemical Group Considered

93AS0315B Tehran TEHRAN TIMES in English
2 Dec 92 p 13

[Text] Vienna (IRNA)—Austrian Minister of Public Industries and Transport Victor Klima in his talks here last week with the Iranian Minister of Petroleum Qolam Reza Aqazadeh invited Iran's participation in the Austrian state controlled energy and petrochemical group OMV.

OMV which has embarked on a privatization program is to seek a foreign partner who will take a 10-20 percent stake in the company, a spokesman for the Ministry of Public Industries told IRNA Monday.

The group is Austria's largest quoted industrial company in which the state holds a 70 percent share. OMV posted a pre-tax loss of 38 million U.S. dollars for nine months this year compared with a profit of \$100 million dollars for the same period last year. It is expecting to break even at the end of the year.

OMV which runs the refinery near Vienna with a capacity of 10 million tonnes is engaged in petroleum, natural gas and mineral oil activities with an oil production of two and million tonnes worldwide. With an annual turnover of \$5.5 billion it ranked 180th among Europe's 200 top companies.

It has exploration interests in several countries including Albania, Bulgaria, Gabon, Indonesia and Libya. The group is also engaged in motor fuel marketing operations in Czechoslovakia, Hungary and Slovenia.

Agreement Signed With South Korea's Saipa, Kia Motors

93AS0315A Tehran TEHRAN TIMES in English
2 Dec 92 p 13

[Quotation marks as published]

[Text] Tehran (IRNA)—Iran-Saipa, the vehicle manufacturing company signed an agreement with Kia Motors of the Republic of Korea here Sunday on manufacture of 30,000 passenger cars annually in Iran.

The South Korean company's Export Department Director, Mr. Kim, told IRNA here that the production line for two models of 'Pride' (Ford Festiva) cars would

start in Iran from June 1993 with a primary assembling production of 8,000 cars in the calendar year 1372 (March 1993-March 1994).

On the specification of the pact, the Korean official said, "the most important specification of the accord is to transfer passenger-car manufacturing technology and technological know-how in the framework of a long-term technological and commercial cooperation."

Kim said that his company was ready to launch an overall cooperation with Iran-Saipa to help the Iranian partner reach self-sufficiency in the field of car production. He added that 70 percent of different parts of the 'Pride' cars would be manufactured in Iran.

The capacity of the 'Pride' car production is increasable by 80 percent, the Korean official said.

On Iran's economic policy and cooperation between Iranian and foreign companies, he said if Iran-Saipa succeeds in producing cars according with international standards, the Korean partner would help it export its production too.

On Tehran-Seoul economic and industrial cooperation, he said the two countries would cooperate in housing and refinery building. The Republic of Korea is ready to transfer its experience to the Islamic Republic of Iran in this regard, Kim said.

A Saipa spokesman told IRNA that with regard to the government's economic policies toward market economy, Saipa has decided to manufacture most economical passenger cars for the people in domestic market with good chances for export.

He added that Saipa alongside with the commencement of this project will implement a parallel project for manufacturing dies for vehicle body.

Tehran-Paris Political, Economic Relations Discussed

93AS0315F Tehran TEHRAN TIMES in English
5 Dec 92 p 11

[Text] Paris, (IRNA)—Iranian Ambassador here Ali Ahani discussed Tehran-Paris political, economic and cultural relations with President of the French Senate Rene Monory in Paris Wednesday.

The two officials discussed formation of Iran-France friendship group in French Senate.

Referring to the existing grounds for bilateral cooperation, Monory stressed the need for more contacts between the Iranian and French officials, the Parliament representatives in particular.

He also welcomed the idea of formation of Iran-France friendship group in the French Senate.

Iran has already have a friendship group in the French National Assembly. [sentence as published]

Japan Convicts Two of Narcotics Transport

93AS0340G Tehran KEYHAN-E HAVA'I in Persian
16 Dec 92 p 3

[Text] Tehran. IRNA. 19 Azar [10 Dec] The regional court of "Chiabay" in Japan sentenced two Iranians to prison and the payment of cash fines for possession of narcotics.

'Ali M. was arrested last year when entering Japan with 3.3 kg of opium and 260 grams of hashish by "Larina" Airport Police in Tokyo.

The regional court in Japan last week convicted the man, who is 35 years old, to eight years in jail and an 8,000-yen cash fine.

Also, "Mojtabi M." Dust'ali had 220 grams of narcotics and was arrested last year in the Tokyo Airport. He was convicted by Japanese judicial authorities to two and one-half years in jail and 200,000 yen in fines.

The attorneys of the convicted have requested an appeal from the court.

Several New Friday Prayer Leaders Named

Meybod, Shahr-e Babak Prayer Leader

93P40084A Tehran ABRAR in Persian 17 Nov 92 p 9

[Text] Qom—Islamic Republic News Agency—In separate decrees issued by the Central Secretariat of Friday Prayer Leaders, Hojjat ol-Eslam Sheykh 'Alireza A'rafi and Sheykh Mohammad Hoseyn Feyz were appointed Friday prayer leaders of the cities of Meybod and Shahr-e Babak.

Sar-e Pol-e Zahab Prayer Leader

93P40084B Tehran ABRAR in Persian 6 Dec 92 p 9

[Text] Qom—Islamic Republic News Agency—In a decree issued by the Central Secretariat of Friday Prayer Leaders, Hojjat ol-Eslam Seyyed Mahmud Hoseyni was appointed Friday prayer leader of Sar-e Pol-e Zahab.

Ilam Prayer Leader

93P40084C Tehran ABRAR in Persian 6 Dec 92 p 2

[Excerpt] Qom—Islamic Republic News Agency—In a decree issued by the office of the grand leader, his excellency Ayatollah Khamene'i, Hojjat ol-Eslam Mr. Sheykh Mojtaba Ya'subi was appointed representative of the vali-ye faqih [supreme jurisconsult] and the Friday prayer leader of Ilam. [passage omitted on text of decree]

Ministry Declares Import of Many Items Free

93AS0340K Tehran KEYHAN-E HAVA'I in Persian
23 Dec 92 p 10

[Text] Tehran. 24 Azar [15 Dec] The list of 44 items [as published] that are free for import into the country by the cooperative companies of the border dwellers and

those border dwellers with permits was announced in a communique by the Central Office of Export and Import Regulations of the Ministry of Commerce addressed to Iranian Customs.

According to this communique, the list and level of goods that can be imported by the cooperative companies of border dwellers or border dwellers themselves, given the determined ceiling of the value in Note 3 of Article 12 of the law on export and import regulations, are as follows:

(1) Rice (300 kg); (2) shortening and liquid vegetable oil made of sunflower seeds or corn, with consideration for the expiration date (30 kg); (3) black tea, with exemption from the necessity for mixing (15 kg); (4) sugar cubes and sugar (25 kg); (5) tamarind (5 kg); (6) spices (3 kg); (7) plastic mats (one per person); (8) ceiling fans, assembled or disassembled (one per person); (9) natural gas air conditioners, assembled or disassembled (one per five persons); (10) desalination machines (unlimited); (11) domestic sewing machines, assembled or disassembled (one per five persons); (12) motorcycles, assembled or disassembled (one per five persons); (13) tea flasks (two per five persons); (14) tea glasses and saucers (one full set of six per person); (15) teapot (one per person); (16) kitchen knives (two per person); (17) radios with allowable bands without recorders, assembled or disassembled (two per five persons); (18) storm lanterns (two per person); (19) flashlights (one per person); (20) Coleman-type lanterns (one per person); (21) cut lumber (unlimited); (22) teakwood for boat building (unlimited); (23) motors for boats, sail boats, and fishing boats, assembled or disassembled (unlimited); (24) nails for boat building (unlimited); (25) carpentry equipment and tools for building boats or their disassembled parts (unlimited); (26) oil for use in boats (unlimited); (27) wire for building fishing nets (unlimited); (28) thread for making fishing nets (unlimited); (29) tires and inner tubes for motorcycles and bicycles (one tire and one inner tube per person); (30) agricultural water pump, assembled or disassembled (one per 10 persons); (31) fish hooks and netting at the level of annual use for persons who work in fishing, with consideration for the fishery regulations (unlimited); (32) desk fans (one per three persons); (33) radios with recorders (one per three persons); (34) refrigerators (one per three persons); (35) refrigerator freezers (one per three persons); (36) freezers (one per three persons); (37) color television (one per five persons); (38) black-and-white television (one per three persons); (39) washing machines (one per three persons); (40) fabrics (50 meters per person); (41) domestic generators, up to 20-family units, a maximum of 20 kilowatts (one per 10 persons); (42) light bulbs (15 per person); (43) vehicle tires (two per person); (44) refrigerator and air conditioner compressors (one per five persons); (45) spare parts for agricultural machinery (unlimited).

Nonoil Exports Increase 13 Percent

93AS0340M Tehran KEYHAN-E HAVA'I in Persian 16 Dec 92 p 1

[Text] Tehran. IRNA. 18 Azar [9 Dec]. In the past eight months, 2.09 million tons of goods at a value of 124 billion rials (equivalent to \$1,771 million) have been exported through the various customs of the country.

The Public Relations Office of the Islamic Republic of Iran in contact with IRNA made this announcement and added: This level increased by 19 percent in weight and 13 percent in value, compared to similar period last year.

The amount of export of handwoven woolen and silk carpets to other countries in the period was 14,000 tons, at a value of 51 billion rials, which makes up 40.7 percent of the total exports. This figure decreased by 39 percent in weight and increased 4.6 percent in value compared to a similar period last year.

According to this report, the export of pistachios and shelled pistachios in this period amounted to 56,000 tons, at a value of 14 billion rials, which made up 10.5 percent of the total exports and was an increase of 0.9 percent in weight and a decrease of 2 percent in value.

Also during this period, the exports of copper and aluminum pots reached 11,000 tons, at a value of 6,045 million rials, which makes up 4.88 percent of the total value of exports.

Other export items in the above-mentioned period include ready-made clothing, hides and (salambor), intestines, varieties of caraway seeds, varieties of raisins, leather shoes, and fresh and salted shrimp.

In continuation, this Public Relations Office mentioned the Customs of Western Tehran, with export goods valued at 57 billion rials; the Customs of Bandar 'Abbas, at 16 billion rials; and the Customs of Urmia, at 9 billion rials, as the highest levels of export in terms of value, respectively.

Also, the Customs of Imam Khomeyni Port, with 782,000 tons; the Customs of Bandar 'Abbas, with 586,000 tons; the Customs of Bushehr, with 158,000 tons; and the Customs of Gharb, with 117,000 tons, had the most exports in terms of weight.

Volume of Nonoil Exports Increases

93AS0332C Tehran ABRAR in Persian 25 Nov 92 p 9

[Text] Ahvaz—ABRAR Correspondent—The nation's nonoil exports have increased 100 percent compared to last year, and it is thus expected that this year the volume of exports will reach \$3 billion, which will be five times the same figure at the beginning of the first Five-Year Plan.

Engineer Mohammad Khan, deputy minister of economic and financial affairs and chief of Iran Customs, who went to Khuzestan yesterday to visit the customs

offices in the cities of Abadan and Khorramshahr, spoke to a group of news correspondents concerning this. He said: With the establishment of a customs office on Kish Island, it will be easier to provide customs services to all parts of the country that have airport facilities, and importers of goods from Kish will not need to go through customs formalities at the destination.

Likewise all marine shipping vessels may be active in this area and enjoy good living facilities.

He added: With the establishment of a customs office on Kish Island, the customs facilities needed to expedite and facilitate commercial affairs will be available and administrative and maritime transit and the transport of goods from Kish to other parts of the country will be possible for everyone. In accordance with export and import regulations, doing this will have a positive effect on the prices of goods.

Mohammad Khan discussed the outstanding activities of the customs offices in providing customs services. He said: Customs formalities to release goods have decreased about 80 percent in the customs offices, in such a way that export operations take less than an hour in Khuzestan Province, and with the customs facilities at Kish Island, added value for goods accompanying passengers will be assessed in the provinces.

He added: In the second Five-Year Plan, in addition to reducing the customs formalities again, the government plans to provide facilities for providing customs services, to rebuild customs offices, and to make use of a computer system.

Mr. Mohammad Khan predicted that after the reconstruction of Khorramshahr customs, customs work will be activated in the province and the concessions providing the 30 percent commercial profits deduction will also increase.

He discussed the standardization of foreign exchange and its effect on customs duties and taxes. He said: The standardization of foreign exchange is an economic adjustment whose goal is to support production, to allow the nation's production to benefit from customs tariffs, and to prevent inflation. Changing the foreign exchange rate for customs duties and taxes can in the long run be a very effective lever to prevent pointless imports and to encourage the export of the nation's goods and industrial products.

IRI Economy Growing 6 Percent Yearly

93AS0340L Tehran KEYHAN-E HAVA'I in Persian
16 Dec 92 p 11

[Text] London. IRNA. 21 Azar [12 Dec] A reliable British economic studies center predicted that the Iranian economy will grow by 6 percent in the next 12 months while the rate of inflation and population growth will be harnessed to a great extent.

The London Economic Information Unit in its latest projections of the economy of major countries in the world in 1993 has also referred to the future of the Iranian economy and considers it brighter than before.

The prediction of this center is conditional, on the success of the Government of Iran in its new economic policy, including creating a single foreign currency rate for the rial.

This studies unit, referring to the probable initial symptoms and difficulties of the policy of a single foreign currency rate for the rial, predicts that in 1993 the Iranian economy will not suffer any recession and that this year will see a growth of 6.1 percent.

This institute also predicts that the annual rate of inflation in Iran will not change from the present level, which is estimated at 35 percent and, despite the single foreign currency rate, will remain at the same level.

The economic information unit has estimated the population of Iran as 63 million people and predicts that its growth will slow down compared to the previous year, and it will not grow more than 3.4 percent.

Country's Textile Industry Stagnant

93AS0342L London KEYHAN in Persian 17 Dec 92 p 4

[Text] The third Textile, Cloth and Clothing Export Exposition was held between 10 and 12 Azar [1-3 Dec] at the permanent Tehran exposition site and was attended by 85 domestic producers.

During this exposition the very striking weakness of Iran's textile industries was confirmed both by producers and by responsible government officials. Engineer Ne'matzadeh, the Islamic Republic's minister of industries, said during a visit to the expo center that "the nation's textile exports are still at the beginning of the road.... The textile industry unions and syndicates must restructure and bring themselves into conformity with international markets."

Iran's textile industry, which exported its products to European countries 20 years ago, is now unable to compete due to the drop in its quality even on the domestic market with cloth imported from Thailand, Pakistan, Taiwan, Korea, Turkey, and Malaysia. Engineer Jamshid Basiri, secretary of the Cotton and Synthetic Textile Industries Syndicate and general manager of the Iran Chamber of Commerce, Industries and Mines, considers Iran's textile industries crisis to be the result of the following factors (RESALAT, 7 Mehr 1371 [29 Sep 1992]):

- The decline in Iran's cotton production, both in terms of quantity and quality.
- The decline in worker skill levels. They have gotten used to producing low quality, and consequently few factories are to be found who still produce quality that is still at former levels.

- Weaknesses in the labor law, which effectively undermines management and production and in the long run, also endanger the interests of workers. In one textile factory, out of eight working hours, in practice 270 minutes are used for nonwork activities, and thus 44 percent of its efficiency is lost. The hiring of more workers than the factory needs, by order of various groups and organizations, also doubles the problems of the factory.
- Weak management: The issuing of guidelines reducing the wages of managers led to the firing of experienced officials and in their place individuals took over the work who had no experience or specialty.
- Worn-out machinery. The average age of the machines used in Iran's cotton industries is more than 45 years. Already machines similar to some of the ones in Iran's factories are on display in London's machinery museum.

We note that textile industries in the developing nations are expanding rapidly. In the region of the Economic Cooperation Organization (ECO) alone, Pakistan earns \$3 billion annually from the export of cloth and clothing, and in Turkey the textile industries employ two million workers.

Funds Allocated for Highway Construction

93AS0337A Tehran ABRAR in Persian 7 Dec 92 p 9

[Text] The Ministry of Roads and Transportation has allocated 3.3 billion rials to build the 25-km Tehran-Bandar Emam Khomeini Freeway.

Mobarakeh, supervisor of the Dezful Office of Roads and Transportation, said: Operations on this project, which is considered a national project, will begin soon.

He emphasized the necessity for cooperation from the residents along the highway's route with roads and transportation experts. He said: Along the Dezful Andimeshk Highway a 700-meter bridge will be built over the Dez River, and studies are now being done for it.

Cuts in Cement Rations May Force Factory Closures

93AS0332H Tehran ABRAR in Persian 17 Nov 92 p 9

[Text] Birjand—IRNA—The cut in cement rations for the Birjand mosaic factories has brought these units to the verge of closure.

Anari, an official of the Birjand Mosaic Makers and Cement Workers Union, said: The cement ration for mosaic-making and handwork guild units of the municipality of Birjand has been cut by this municipality's office of commerce, and these units are now virtually closed.

He added: Despite continuous follow-ups and letter writing by this union, none of the relevant organizations

has taken positive steps in this regard, and due to the shortage of cement, most of the mosaic-making factories will close in the very near future.

A reliable source in the office of commerce said: Under the new commercial guidelines for Khorasan Province, the mosaic-making factories must procure the cement they need from the rations for the 30 factories that are sold on the open market. However, the factories, because they have not received authorization to sell their 30 products [as published], have refused to do this.

Official on Marzpol Customs Problems, Expansion Plans

93AS0332A Tehran ABRAR in Persian 7 Dec 92 p 9

[Text] SARI—IRNA—This year the Mazandaran Province Planning Committee has allocated 170 million rials to build and expand the Marzpol Customs Office.

Soleymani, Mazandaran Province general manager of commerce, in announcing the above, added: If the Marzpol Customs Office is recognized as a commercial facility in Mazandaran Province, many problems will be removed from the path of the merchants and industrialists of this province.

He added: Unfortunately, because the Marzpol Customs Office has not been recognized as a commercial facility by Islamic Republic of Iran Customs for the export of goods from Mazandaran Province to Turkmenistan and other Central Asian republics, the legal work must be done by Nowshahr Customs and other customs offices in the country.

The general manager of the Mazandaran Province Customs Office added: Fifty-two producing and commercial companies from this province took part in the exposition in Aban of this year [23 Oct-21 Nov] in Eshqabad, the center of the Republic of Turkmenistan, and a total of \$20 million in protocols was signed with commercial parties on the other side.

Concerning the commercial problems with Turkmenistan, he said: The main problem with our trading partners in Turkmenistan is the existing difficulties with foreign exchange in that country, and it will not be easy to trade with official international foreign exchange. Therefore, our merchants and industrialists must export their goods by means of "bartering."

He added: Due to the fact that Turkmenistan has not been that industrial, this in itself will have a significant effect on reducing import and export activities.

He discussed the deregulation of cement. He added: In view of the measure enacted by the Economic Council and the statement issued by the Plan and Budget Organization to cement factories throughout the nation, henceforth these factories will distribute cement at the new rate and therefore buyers and sellers may purchase cement from the factories.

Funds Allocated for Semnan Development Projects*93AS0332B Tehran ABRAR in Persian 6 Dec 92 p 9*

[Text] Semnan—IRNA—The president of the republic has allocated about \$1.3 million in foreign exchange credit to Semnan Province for carrying out various projects.

Engineer Erteqa'i, deputy governor general of Semnan for development, announced the above yesterday. He said: Of this amount, \$800,000 has been allocated to equip and meet the needs of three institutions of higher learning and \$500,000 has been allocated for other urban and social development projects.

He said: During his trip to Semnan Province, the president of the republic allocated about 4.33 million rials to implement 58 projects, which will be spent on education and culture, agriculture and rural development, urban development, health care and treatment and social and public affairs.

He said: One-third of these credits has been given to the province and provided to the government organizations.

The deputy governor general of Semnan for development said: Likewise, more than 1.35 billion rials in credit has been allocated for the province's deprived areas to be spent on 32 projects.

He added: On this trip Mr. Hashemi paid special attention to the province's infrastructure and important projects and gave the necessary orders in this regard to the pertinent organizations. He cited water projects as examples of these types of projects and added: By order of the president of the republic, dam construction projects in the province have been placed on the Ministry of Energy's program.

Gelim Weaving Industry Declining*93AS0332E Tehran ABRAR in Persian 21 Nov 92 p 9*

[Text] Arak—IRNA—Investment to revitalize and develop handicrafts will have a very important effect in the creation of employment, especially in the rural areas, and it will prevent excessive rural emigration to the cities.

'Abdollahi, an official of the Central Province Office of Handicrafts, said: Due to excessive rural migration to the cities, currently the gelim-weaving industry is about to disappear in large parts of the country.

He mentioned that 80 percent of the rural women are employed in this industry, and added: The gelim-weaving industry has been recognized as a low-cost and high-profit industry in the country, and in addition to creating rural economic prosperity, its revitalization can make up for low rural incomes from the agricultural sector.

He added: Arrangements have also been made to hold the Third Large Exposition for Asian Industrialists next year in Tehran.

Hamadan Official on Decline of Industry, Employment*93AS0332F Tehran ABRAR in Persian 19 Nov 92 p 9*

[Text] Hamadan—ABRAR Correspondent—From the years 1355 [21 Mar 1976-20 Mar 1977] to 1370 [21 Mar 1991-20 Mar 1992] the number of people employed in industrial units in Hamadan Province declined, declining from 112,000 in 1355 to 80,000 in 1365 [21 Mar 1986-20 Mar 1987] to 64,000 in 1370.

Engineer Ahmad Khorram, governor general of Hamadan, speaking at a meeting of the Province Planning Committee, made the above statement and added: These statistics show the reality that in the last 15 years nothing major has been done in the province's industrial sector, and instead of increasing and prospering, industry has gone in the opposite direction towards decline.

He noted that specialist and experienced personnel in the industrial units have emigrated to neighboring provinces, and he said that the main reason for this is the lack of sufficient attention and the failure to allocate the necessary credits.

The governor general of Hamadan said: The total foreign exchange allocated to the province's industrial sector since the triumph of the Islamic revolution has been only \$83 million, and compared to the nation's small provinces, this is an insignificant amount.

The governor general of Hamadan announced that the total investment in rials in the industrial sector in the same period was 62.8 billion tomans. He said: This figure is one-third of the cost of building a single project in a neighboring province.

Elsewhere in his talk the governor general of Hamadan discussed the employment situation in the agricultural sector, and he noted that in the last 15 years 600 new jobs have been added to this sector. He said: The employment opportunities created is quite insignificant and in light of the annual need and the growth in the rural population, 19,000 new jobs should be created every year in this sector.

Eng. Khorram listed the mechanization of agriculture, changing the irrigation system, developing industrial and traditional animal husbandry, creating agricultural conversion industries and putting all agricultural land to use as the major goals and plans of the province's new executive managers, and he noted: By the end of the current year [20 Mar 1993], in addition to the existing cooperatives, 30 new cooperatives will be created and the agricultural land in the province will be put to use.

Report on Bistun Thermal Power Station

93AS0337C Tehran ABRAR in Persian 6 Dec 92 p 9

[Text] News Service—Visiting the Bistun Thermal Power Plant in the vicinity of Kermanshah intensified my longing to visit a mountain by that same name, because Bistun was the site of the story of Farhad the mountain digger [kuhkan] in Nezami's poem. When you stand in front of it, in your soul you can almost hear the sound of Farhad's axe in the autumn rain.

Tonight the sound of the ax was not heard from Bistun

Perhaps Farhad is dreaming of Shirin
The moments of the visit pass quickly and I also...

As the visit to the Bistun Thermal Power Plant begins, words begin to take shape. Now everyone is talking about the transfer of technology. A power plant with an area of 140 square km is before me.

This power plant has two units, each with a capacity of 320 megawatts [MW]. It can be expanded to four units.

During the visit, plant supervisor Engineer Hariri says: The agreement to buy, equip, and build this plant was signed in 1367 [21 Mar 1988-20 Mar 1989] between Tavanir and two Italian companies named (Ansaldo-Energia) and (Sikum). Construction began in 1370 [21 Mar 1991-20 Mar 1992], and it will become a part of the national network in 1372 [21 Mar 1993-20 Mar 1994].

As Eng. Hariri was talking, I remembered having read somewhere several years ago much talk about buying technology from various countries in the world, without regard for the fact that basically technology cannot be bought.

He says: There are two central considerations in every technology. The first is freedom and independence of operation of the existing technology as it is, the second is to exist in the center of the heart of the technology. If these two central requirements have been created in a society, that is if the society has taken shape on the basis of freedom and wisdom, and if that society itself produces technology, then technology is not unattainable. It is not imported from Mars, and neither is it dependent on mines and investment. If it were, then Japan and Germany would never have industrialized, because they had no obstacles, but why did these two nations industrialize? Because they understood from the beginning that the production of technology is not categorically a technical matter, it is social, political, and cultural.

If the belief is that our nation should industrialize, then it must be done for the manpower that exists in the country. These workers must be trained, the reasoning ability of the individuals in society must be increased. The existing freedoms in society must be organized, and these are the conditions under which it is possible to industrialize any nation. Buying machinery and making a commodity of technology in exchange for selling oil in

international relations in the name of transferring technology has been going on since the time of 'Abbas Mirza, and it has produced no result.

I return again to what Eng. Hariri is saying. He says: The preliminary estimate for the completion of this project (the power plant) is 83 billion rials, along with 360 million rials in foreign exchange.

The construction work is 40 percent completed, and the installation operations are 24 percent complete.

He says: The purpose of building this plant was solely to procure electrical power for the provinces of Bakhtaran, Ilam, and Kordestan, and any excess will be transferred to the national network.

He says: This power plant was built in Bistun to make it possible to industrialize this area.

He said: Once created, this power plant will play an effective role for the area in the future as a mother industry.

Eng. Baharestani, chief of the power plant's circuit house, spoke after Eng. Hariri. He described the circuit house and discussed the numbers of Iranian and foreign (Italian) workers.

Eng. Baharestani says: There are now 1,200 people working in this power plant, about 90 percent of whom are foreign, meaning Italians, Koreans, and Filipinos, of whom the last two groups work opposite the Italians.

Eng. Baharestani's view on the future development of this power plant was that in view of the nation's growing expenditures, there is no doubt that the nation will have abundant need to inject electrical energy into the national network. If in the future a power plant is to be built in the corner of the country, the most economical course is to develop existing power plants first.

The visit to the power plant was ended. We have now come out of the iron and steel and taken to the road. Once more, Bistun Mountain rises over the road ahead.

Tonight the sound of the axe was not heard from Bistun

Perhaps Farhad is dreaming of Shirin

Kia Shahr To Become Fishing Port

93AS0332D Tehran ABRAR in Persian 24 Nov 92 p 9

[Text] Rasht—IRNA—With 1 billion rials credit, Bandar Kia Shahr in the municipality of Astaneh-ye Ashrafiyeh will become a fishing port.

This was announced by the general manager of Gilan fisheries during a visit to projects under construction in Astaneh-ye Ashrafiyeh and Kia Shahr by the governor general and a group of province general managers. He said: The annual capacity of this fishing port will be about 25,000 tons of sprat, and it will play a good role in creating employment and achieving economic growth in the region. During this visit the Gilan Province deputy

director of the Office of Agriculture also said: Soon, when the needed agricultural water is procured, 1,200 hectares of summer farm land in Kia Shahr will be made into rice paddies.

Esfahan Official Details Development Plans

93AS0337B Tehran ABRAR in Persian 2 Dec 92 p 9

[Text] Esfahan—IRNA—Getting the Esfahan development project out of its current state of limbo, the need for attention to the side issues of industrial development and the need to strengthen the tourism industry are among the main problems now in Esfahan Province.

In an interview with news correspondents, Eshaq Jahangiri, governor general of Esfahan, announced the above and said: All the problems in Esfahan demand more sensitivity and seriousness from the nation's officials, because our main problem is the failure of officials to properly understand Esfahan and its deprivations and shortages.

He said: The Esfahan Comprehensive Project has been prepared, and a budget of about 1 billion rials is needed for its implementation. The project includes removing industrial and textile units from inside the city, building new streets and widening some existing streets, while making the necessary provisions for building recreational, economic, educational and cultural sites.

He added: The industrial and advanced units, which have been built or are being built in Esfahan, have created and are creating various secondary problems for the province. These problems include attention to unexpected problems for the people occurring at these units, observing environmental issues, repairing environmental damage and careful observation of their precise security points.

The governor general of Esfahan discussed visits by 68 foreign delegations in the current year to Esfahan to see historic sites. He said: Although we have many tourist attractions, we have not yet given that much attention to this industry.

He said: Standardization of the foreign exchange rate must certainly take place in the country, and the problems that will create, especially for society's wage-earning and oppressed classes, must be taken into consideration.

He said: The units that will be hurt in Esfahan during this process are the textile factories, whose weaving machines are no longer efficient and must be equipped with new textile machinery and equipment.

The governor general of Esfahan added: While the farmers in the province produce 5,400 kg of wheat per hectare and one-fourth of the nation's potatoes and apples in the world, their numbers are decreasing because of the industrialization in the province, and the most important factor in that is the shortage of water.

He noted that Zayandeh River is one of the nation's vital arteries. He said: The best solution possible to alleviate the water shortage in Esfahan is to build the third Kuhrang tunnel. Although the preliminary studies have been completed, the foreign exchange needed to begin the work has not yet been procured.

He discussed his recent visit with the president of the republic. He said: He gave a definite order that construction must begin next year on the third Kuhrang tunnel. When it is put to use it will be an effective step to procure the water needed in the province, towards making the best use of the nation's existing water supplies, and preventing water from being wasted and flowing out of the country.

He said: Although Esfahan has 6.2 percent of the nation's students, in the past no attention has been paid to classroom space in Esfahan, and only 272 teaching units per year have been allocated to this province.

The governor general of Esfahan said: Every year 15 million tons of goods go in and out of Esfahan, and this shows its import transit role. Likewise, it has about 10 to 12 million travelers, and the existing roads do not meet their needs. In this regard, the construction of the roads that have been planned cannot be avoided.

Bakhtaran Deforestation, Restoration Efforts Viewed

93AS0324A Tehran ABRAR in Persian 7 Dec 92 p 9

[Text] Kermanshah. IRNA. This year, 13,642,000,000 rials in funds have been spent on the revitalization of the pastures in the forestation projects and the production of saplings in the province of Bakhtaran.

Engineer Khojasteh, the director general of natural resources in the province of Bakhtaran, made this statement in a meeting of the Agricultural Council held at the office of the governor general of Bakhtaran.

He said: Because of lack of proper protection, the war, and uncontrolled use [of the forests] for fuel by the villagers residing in the cold climate regions, the destruction of the forests of the province of Bakhtaran in recent years has increased by 48 percent compared to before the revolution.

Expressing the important role of the forests in preserving water and soil in addition to economic profit, he asked the officials to pay attention to the preservation and revitalization of the national resources.

In this meeting, the director general of the Rural Cooperative Organization of the province of Bakhtaran also announced: So far, 1.6 billion rials in loans have been given to the farmers of the province of Bakhtaran through rural cooperatives.

Forests and pastures in the province of Bakhtaran cover 1.8 million hectares.

Cleanup of Arvandrud, Karun Shores Planned

93AS0324B Tehran ABRAR in Persian 3 Dec 92 p 9

[Interview with the governor of Khorramshahr by IRNA on 2 Dec 1992; place not given]

[Text] The shores of the Arvandrud and Karun Rivers in Khorramshahr will be cleared of sunken ships, boats, and barges.

The governor of Khorramshahr made the above announcement yesterday in an interview with IRNA and asked the owners of ships, boats, and barges grounded or sunk during the imposed war to take rapid steps with the coordination of the office of the governor to remove their ships.

Pollution, Shipping Threaten Gulf Marine Life

93AS0324C Tehran ABRAR in Persian 1 Dec 92 p 1

[Text] Economic Service. The level of fishing of eight countries in the region in 1989 amounted to 451,898 tons, 90 percent of which was apparently from the Sea of Oman and the Persian Gulf. This fishing goes on while no initiatives or steps have been taken to improve the condition of marine life in this area, even though environmental pollution, the increased number of vessels, and incompetent and inappropriate management have seriously threatened continued use.

According to a report by our ABRAR correspondent, Engineer Gholamreza Foruzesh, the minister of construction jihad, made this statement in the opening ceremonies of the seventh meeting of the Committee on the Development and Management of Marine Life in the Persian Gulf and the Sea of Oman, which was held yesterday in the presence of the representatives of Saudi Arabia, the United Arab Emirates, Kuwait, Iraq, Oman, Bahrain, and Qatar, and the deputy director of the Food and Agriculture Organization (FAO) of the United Nations in the Azadi Hotel.

Emphasizing the need for the attention of the countries in the region to the prevention of the destruction of the environment and the elimination of the signs of the pollution of the Persian Gulf war, he announced the readiness of the Islamic Republic of Iran for any vital, positive step in this regard and expressed hope that through the cooperation of international agencies and fishing conferences, these problems will be pursued until results are achieved.

In conclusion, the minister of construction jihad added: Attention has been paid to the development of research as the main factor in achieving suitable use of marine life. For this reason, the Islamic Republic of Iran has increased the number of its research centers from one to four in the four southern provinces and has allocated \$13 million to research. Also, in the First Economic, Social, and Cultural Development Plan, the level of government and private sector investment amounts to more than \$500 million.

In the Second Plan, vast provisions are made for more investments. According to this report, in the conference yesterday, Rasul Lahijanlian, the deputy minister of construction jihad and general manager of the Iran Fishery Company, also spoke and said: While there are resources for widespread investment in our countries, organizing these investments can be effective in mobilizing resources through saving on expenditures, which can be done through mutual cooperation in offering high-quality products and competitive rates on the international markets, to make up for the domestic and international needs of the member countries.

Among the important cases that require joint investment is the use of the untapped resources, such as mezzopelagic fish, or the little use of such resources as small pelagic fish.

The reserves and accumulation of such fish in the Persian Gulf and the waters of the Oman Sea is very significant, and it is necessary to design and implement the plan to use them favorably.

It is worthy of note that the seventh meeting of the Committee on the Development and Management of Marine Life of the Persian Gulf and the Sea of Oman will continue its work until 12 Azar [3 Dec].

Industrial Pollution Killing Beshar Marine Life

93AS0324D Tehran ABRAR in Persian 29 Nov 92 p 9

[Text] Yasuj. IRNA. Due to the deposit of waste from the Yasuj Sugar Factory into the Beshar River, the water of this river has been polluted and is unusable.

The director general for environmental protection of the province of Kohkiluyeh and Boyer Ahmad made this announcement and said: With the operation of this factory, 350 liters of waste per second enters this river.

He added: Due to the dumping of the waste of the Yasuj Sugar Factory into this river since the factory started operations (1 Aban [23 Oct] this year), so far more than 100,000 fish have died.

He added: Representatives of the office of the governor general, Environmental Health, the prosecutor's office of the Construction Jihad, law enforcement, and the experts of this office have visited the point of entry of the waste of this factory into the Beshar River, and a suit in the amount of 100 million rials in damages has been sent to Adjudication Court 1 of Yasuj.

He said: The marine life of this river is endangered up to a radius of 10 km. Beyond this radius, the level of pollution is less.

Every 24 hours, about 100,000 tons of sugar beets are used in the Yasuj Sugar Factory and converted to sugar.

Red Rain Reported in Ilam*93AS0324E Tehran ABRAR in Persian 24 Nov 92 p 4*

[Text] Red rain that started early morning yesterday in the city of Ilam astonished the people of the city.

According to an IRNA correspondent, in Ilam an unprecedented red rain coupled with severe wind covered the streets, public places, cars, and roofs of buildings with red coloring.

A meteorological expert explained the reason for the red rain as the seasonal winds from the west of the country and said: With the penetration of an air mass that was coupled with thick dust, it caused red rain in Ilam.

At present a thick dust has covered Ilam and the surrounding villages.

Health Minister Speaks at AIDS Seminar*93AS0327A Tehran ABRAR in Persian
2 Dec 92 pp 1, 10*

[Text] The chapter on AIDS often remains unread in medical science books. News Service. The minister of health treatment and medical education said yesterday: The chapter on AIDS often is not put in medical science books and goes unread.

Dr. Reza Malekzadeh, who was speaking at the three-day seminar on retraining for AIDS that is held simultaneously with the World AIDS Day in Tehran added: The lack of awareness of some physicians makes the recognition of AIDS in the society longer, and hence physicians and others in this profession must become familiar with the symptoms of this disease and teach them to the medical science students as well.

Emphasizing that AIDS today has had more casualties than World War I and World War II, not only because it is deadly, but that it causes great problems socially for the patients, the minister of health said: Today only 10 percent of those suffering from AIDS are homosexuals and corrupt individuals, and the remaining 90 percent are people who have acquired it due to lack of preventative information.

He added: At the present time, 12 million people in the world have the AIDS virus and 500,000 are suffering from this disease.

Dr. Malekzadeh said: Every day, 5,000 Iranian passengers travel to parts of the world that are infected by AIDS. It is necessary for the airlines officials, with the cooperation of the Ministry of Health, to provide them with the necessary information and alert them about this deadly disease.

The minister of health, by stating that at the present some of the African countries allocate 80 percent of their health and treatment budget to fighting AIDS, referred to the spread of AIDS and said: In Iran, this disease was observed for the first time in a child as a result of the use

of blood byproducts. He added that the period of this disease in adults is eight to 10 years and in children two to three years.

Considering the sensitivity of the subject, he asked the airlines, the Voice and Vision, the Ministries of Culture and Islamic Guidance and Education, and the press to help the health officials of the country to fight AIDS with public education.

In conclusion, Dr. Malekzadeh said: Our country is a very young country, and 26 million of the population are under 15 years old and are vulnerable to AIDS.

He added: Hence, educating these individuals and making them aware of the danger and ways to prevent this disease must be a priority in the health steps of the concerned policy makers in the country.

According to our correspondent, before the speech of this minister of health, Dr. Namaki, the educational deputy of this ministry, while presenting statistics on AIDS in the world and in Iran, said:

Following the establishment of the National Committee on Fighting AIDS, recently the society to support AIDS patients has been established in Iran.

Emphasizing that at the present this disease is not a problem in the country but not being informed about it can cause numerous problems for the country, he asked all related organizations to cooperate with the Ministry of Health in this regard.

Pharmaceutical Industry Largest in Region*93AS0315E Tehran TEHRAN TIMES in English
5 Dec 92 p 2*

[Text] Tehran (IRNA)—The government subsidy for pharmaceutical drugs is Rls[rials]300 billion in the current calendar year (started March 21), and is expected to increase to Rls 360 billion next year, announced Minister of Health Mohammad-Reza Malekzadeh here Wednesday.

Malekzadeh who was speaking at the inauguration ceremony of a pharmaceutical plant here said that in 1990 drug production in Iran had increased 15 times more than what it was in 1979.

The supply and sale of drugs, he said, reached Rls 170 billion in 1990 from Rls 95 billion in 1989, which is indicative of the important role the pharmaceutical industry has in raising the level of the Gross National Income (GNP). [as published]

He said the Islamic Republic ranks first in production of pharmaceuticals in the region and if the needed raw materials are available, the industry will play a vital role in the country's economy.

Malekzadeh underlined importance of research in the improvement of the pharmaceutical industry and called

the Iranian Drug Distribution Center as one of "the most active and innovative" of its kind.

At the end of his speech the health minister presented awards to several top researchers in the pharmaceutical and related fields.

The plant which was put into operation Wednesday by President Akbar Hashemi-Rafsanjani is the first drug production center in Iran which was established in cooperation with the United Nations Industrial Development Organization (UNIDO).

Situated on a 5-hectare plot, the construction work of the plant started in 1989 with UNIDO contributing \$4.4 million and the Iranian Drug Distribution Center providing about Rls 3.6 billion.

Drug Shortages, High Prices Worry Orumiyeh Residents

93AS0332G Tehran ABRAR in Persian 19 Nov 92 p 9

[Text] Orumiyeh—ABRAR Correspondent—The shortage of drugs and their high costs on the free market are worrying the various classes of people in Orumiyeh and the people of this area, in repeated telephone contacts with officials and the Voice of the Islamic Republic of Iran at this province's center, have consistently expressed their unhappiness with the existing situation.

In this regard, one of the programs of "Hello Good Morning," which is broadcast from Central Orumiyeh Radio to reflect the views and recommendations of the people, invited the province general manager of health care to answer various questions from the people. One listener, whose tone of voice made it clear that he was unhappy and angry, said: The attending physician gave a prescription for a drug that was not available in any pharmacy. I therefore went to an itinerant drug seller at the central city square and was forced to buy one of the needed ampules, whose price is 50 rials, for 3,000 rials, because this was the only choice I had to save the patient's life. Isn't there anyone who is dealing with this problem? Wouldn't it be better for the government to stop itinerant drug sellers by forming cooperative guilds and improving the distribution system?

Likewise another of this program's listeners, who asked his questions of the general manager of health care for West Azarbaijan Province, complained about the bad situation and the improper distribution of drugs in Orumiyeh.

Really, can't itinerant vendors be used experimentally to form cooperatives? Even if this proposal does not achieve the desired results, these same people could be chosen officially and presented as the primary founders of drug-selling cooperatives!

Plan To Identify Goiter Patients Under Way

93AS0327B Tehran ABRAR in Persian 2 Dec 92 p 10

[Text] In order to plan for the prevention of goiter in Chahar Mahall and Bakhtiari, a patient search plan began yesterday in the rural areas of this province.

According to a report by the correspondent of IRNA, in the plan carried out with the efforts of the regional health and treatment organization of Chahar Mahall and Bakhtiari, all individuals above six years of age will be tested.

Goiter is caused by a deficiency in iodine, which exists sufficiently in the soil of Chahar Mahall and Bakhtiari, due to the high elevation and abundant precipitation.

Also, the plan to control diabetes and high blood pressure began in Borujen on a trial basis on Monday.

According to Soleymani, the head of the Public Relations Office of Health and Treatment of Chahar Mahall and Bakhtiari, this plan will be carried out simultaneously in Borujen, Kashan, and Zanjan.

Shahr-e Kord Hospital Construction Nearing Completion

93AS0327C Tehran ABRAR in Persian 25 Nov 92 p 9

[Text] Construction operations on the 192-bed hospital of the Social Security Organization of Shahr-e Kord are rapidly progressing. So far, 82 percent of the physical work of this hospital has been completed, and with the speed of construction of the house building company affiliated with the Social Security Organization of the province of Chahar Mahall and Bakhtiari, this hospital will become operational and used by the insured patients of the Social Security Organization of the province in the first half of 1372 [21 Mar 1993-20 Mar 1994].

The initial funding for this hospital was 2 billion rials, of which 1.5 billion has been used, and at the present every month 6 million tomans are spent on the completion of this building. This shows the speed of the house-building company affiliated with the Social Security Organization of Chahar Mahall and Bakhtiari Province in building the hospital. Here, it is appropriate to thank the officials of the province, the head of the contracting project of the Iran House Building Company and the Esfahan and Tehran offices that have provided the necessary help. It is worthy of note that at the present the total number of insured people in the province of Chahar Mahall and Bakhtiari is 27,000 persons, and in this area, the Central Office of Health, Treatment and Medical Education of the province, which is the other party to the contract of the Social Security Organization, offers the necessary treatment services to the insured. At the present, by creating treatment centers in the cities of Borujen and Farsan, the problem of workers in these two cities has also been resolved, and efforts have been made to eliminate the problems in the cities of Lordegan and Hafshejan, and soon the treatment problems of the people in this region will also be eliminated. It is interesting that the amount of loan that so far has been placed at the disposal of the insured in this province by the Social Security Organization of Chahar Mahall and Bakhtiari is as follows.

Housing loans, 144,062,885 rials.
Regular pay, 11,290,000 rials.
Marriage, 76,090,000 rials.
Repairs and building, 82,150,000 rials.

Also, of the total insured persons in the province, 2,207 persons receive regular pay and 477 also receive allocations. Also, those eligible for the law of trade and free occupations number 4,200, for whom 4,228,351,020 rials have been spent on treatment and services by the organization.

Suggestion to the Insured

In the same connection, the suggestion of the officials of the Social Security Organization to individuals that are covered is that they do their utmost with regard to the use and upkeep of the treatment resources and equipment of the hospitals and treatment centers of this organization. And employers also, by presenting the precise identification of the insured, have the necessary cooperation with the social security inspections and take rapid steps to pay the premium of their employees so that there will be no disruption in the services to the insured. Considering that the request of most of the insured is that the Social Security Organization pay more attention to providing treatment for them. Hence, considering the serious need for the 192-bed hospital, physicians, and an experienced cadre, and the fact that this hospital could in the future become a teaching hospital, it is necessary to create the personnel resources from now to man this hospital and to provide the comfort needed by the personnel as well, and to make use of the resources of this large hospital.

Group Ceremony Joins 4,000 in Marriage

93AS0342B London KEYHAN in Persian 17 Dec 92 p 2

[Text] Last week 4,000 girls and boys were married on the same day in a group marriage in various parts of Iran. This group marriage was arranged by Imam Khomeini's Aid Committee to mark the birth anniversary of Her

Holiness Zahra. Dowries for the brides were procured through public contributions.

Divorce Laws Changed in Favor of Women

93AS0342I London KEYHAN in Persian 17 Dec 92 p 3

[Text] The divorce law in Iran has changed, and henceforth a husband will not be able to divorce his wife easily. Under the new law, female judges will also be able to attend separate appeals from men and women.

The new law gives women the right to ask for compensation for the services they have provided during their marriage.

The newspaper SALAM has called the new divorce law an astonishing change in the area of women's rights. Under the new law, a divorce decree can only be issued by the civil courts, and thus Iranian men can no longer divorce their spouses against their will.

While this law has been welcomed by modernistic women in Iran, religious women and women supporting the Islamic government are also of one voice in this area with the modernistic women. Shahla Sherkat, editor of the publication WOMEN, says regarding this:

Usually men, due to their friendships with the chief judges, judges and religious magistrates, divorce their wives easily, but from now on judges who issue divorce decrees without referring the cases to the civil court will be fired.

Shahla Sherkat said: Islam does not require women to cook, raise children and clean, and it is also not clear in the law how it could be proved if a man claimed that his wife provided these services voluntarily to him throughout their life together.

In the past the Islamic Republic did not permit women judges to take part in the family courts, and it claimed that women judges might be influenced by feelings in the courts.